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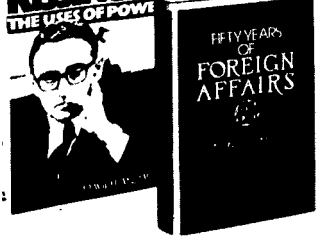

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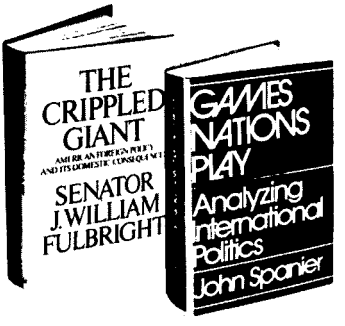

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VOLUME FIVE NUMBER TWO
APRIL 1973

THE CULTURE OF BUREAUCRACY
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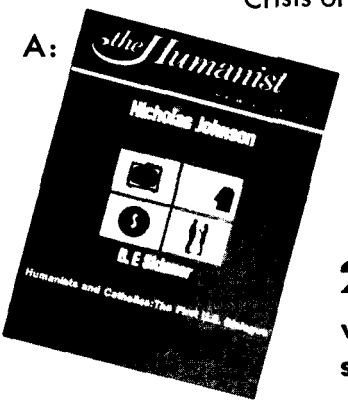

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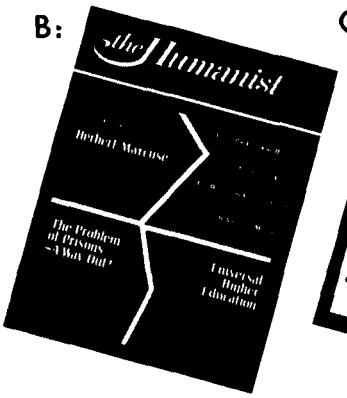

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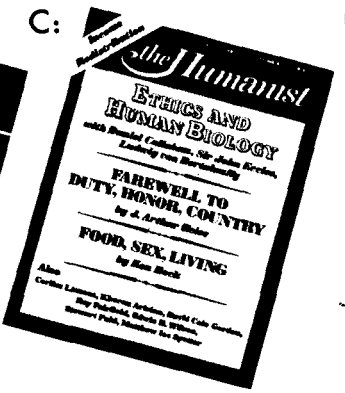

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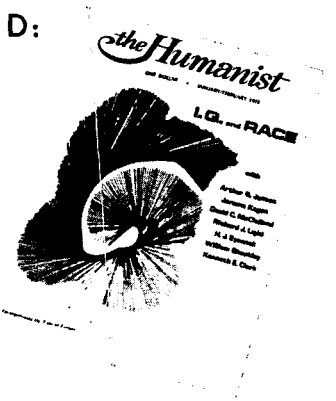

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The foreign service as mirror of America

by James Fallows

When the bodies of the two American diplomats murdered in the Sudan were brought home last month, a State Department official commented to the press, "I hope this outrage lets everyone know we're not a bunch of cookie-pushers in striped pants. We're a corps of highly competent, professional people, in a highly difficult, demanding, dangerous job."

For all the outrage and horror of the event, this was a strange comment. Diplomacy does have its hazards; shortly after the killings, President Nixon unveiled a plaque at the State Department listing the 20 Foreign Service Officers who have died since 1967. But the Black September guerrillas who killed the diplomats had, in the past, singled out other groups to attack. Tourists, athletes, anyone traveling through the Middle East or Northern Ireland these days runs the risk that the same senseless violence will strike them. It is tragic that the men were killed, but it is hard to see what their deaths prove about the competence or professionalism of their colleagues. The statement did show that a nerve has been rubbed raw in the State Department. Criticism of State and the Foreign Service is, by now, hardly news. Ever since John Kennedy called the Department a "bowl of jelly," books have appeared every year or two making roughly the same point. The most impassioned criticism has come from members of the Foreign Service family—from departing ambassadors such as Ellis O. Briggs, who wrote *Farewell to Foggy Bottom* in 1964; from young FSOs like John Franklin Campbell, whose 1971 book *The Foreign Affairs Fudge Factory* is the most celebrated recent criticism; from academics brought in to consult such as Yale's Chris Argyris, whose "Some Causes of Bureaucratic Ineffectiveness" is a masterpiece; and from the Department itself, which in 1970 published a massive self-examination called *Diplomacy for the '70s*.

Perhaps because of their authors' loyalties, most of these works have a special slant. The State Department has grown fat and torpid and weak, they say. What's more, the President, the Pentagon, and the National Security Council now make foreign policy. So the books conclude that we must put the State Department back into shape so that it can resume its rightful powers.

To anyone not directly involved in the quarrel, this may seem a moot point. Certainly it makes some difference that presidential adviser Henry Kissinger is more influential than Secretary of State William Rogers But those whose bureaucratic turf is

James Fallows is an editor of The Washington Monthly.

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not threatened by the change may not feel quite the sense of shock that runs through the recent books. And if exposes of State no longer excite us, it may be for the same reason Shirley Hazzard describes in her new book, *Defeat of an Ideal*, in discussing American reaction to the UN: since we expect so little of it, we are not surprised when it fails.

But there is a reason why the State Department's failures should be important to the rest of us. What has happened in the Department, and especially in the Foreign Service, is an extreme example of white-collar featherbedding, a condition prevalent elsewhere, though in less advanced form. The influence of the Foreign Service promotion system, the importance of titles rather than work, and the sharing of a small amount of work among a large staff all illustrate in exaggerated fashion the problems of our public and private bureaucracies.

The Life-Long Scholarship

In too many ways, the Foreign Service is a kind of life-long Rhodes scholarship, a badge of status more important for the identity it gives the wearer than for what it requires him to accomplish. The badges confer a special sense of class, almost a touch of aristocracy. The little secret that no one lets out is that what one *does* after putting on the badge is not all that exciting. I went to England as a Rhodes scholar and was dismayed to find that my status on Oxford's scale was unusually low, since Rhodes scholars there are classified as linebackers and dilettantes. But, like a Foreign Service Officer whose first tour of duty sees him stamping passports in Guatemala, I kept myself going by remembering that the folks back home were still looking at my badge. The main difference is that I only had to spend two years in this condition, while a Foreign Service Officer can invest the whole of his working life.

The sense of special merit comes naturally to those who make it into the Service. Although there was a slight drop in applications during the worst years of the Vietnam war, competition for Foreign Service positions is now tougher than ever. Last year some 17,000 people wrote for application forms and well over 10,000 took the written examination. Of these, less than 50 are admitted each year. One may differ with some of the winners' values—for example, their commitment to carry out the foreign policy of whatever President happens to be in office—but there is no denying that this is as bright and talented a group as any to be found in government. In fairness, much the same must be said about the Service as a whole. Many of its members are not only skillful and intelligent, but also determined to do some *good*. From all reports, the two men killed in the Sudan, G. Curtis Moore and Cleo A. Noel, were of this type. The outside world understands this special status; while the public considers "bureaucrats" to be stupid and slow, or "diplomats" in general to be pinstriped "cookie-pushers," having a friend in the Foreign Service ranks with knowing a Harvard professor or a federal judge.

But once inside the Service, young officers find that there is less to do than they had imagined. The problem is a fundamental imbalance between the supply of responsible, significant work, and the demand for that work from the legions of capable FSOs. The solution is a form of work rationing in which Foreign Service Officers queue up, often for 15 or 20 years, to wait their turn for a challenging, significant job.

Reports from Ruritania

There is, of course, some important work to be done. The Service's two major tasks are negotiating with foreign governments and reporting back to Washington on developments in the field. It is difficult to judge how well the first of these is carried out,

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since negotiations are the classic "soft" bureaucratic product. When the peace negotiators were talking in Paris for four years, who could tell whether they were working hard or loafing? Nevertheless, such international bargaining becomes more and more important as economic, political, and environmental problems involve many countries at once.

Reporting is at least as crucial, although we may not need it in quite the bulk that is now produced. John Stewart Service, one of the "old China hands" humiliated by Senator Joseph McCarthy for accurately reporting the situation in China during the forties, recently told the American Foreign Service Association about this duty

> Reporting is not merely a glamorous, exciting pastime. It is utterly basic to the intelligent formulation of a realistic foreign policy.... Of course, the Foreign Service has many functions other than political reporting.... I submit, though, that none is more vital to the country.

The luncheon at which he spoke was an emotional affair, since it represented a semi-official apology for the wrongs John Service and others had suffered. But in the back of most minds must have been the uncomfortable knowledge that the Foreign Service's recent reporting performance has not been quite so distinguished.

As more and more of the Vietnam war documents come to light—in the Pentagon Papers, in books by Chester Cooper, Daniel Ellsberg, and David Halberstam—it becomes more and more clear that 20 years from now, the FSOs' Vietnam reporting will not look as good as Service's performance in China does now. If the State Department did not start the war, its men were slower to point out how the war was going wrong than were men from the CIA. Not that the intelligence reports did much good. But the Foreign Service Association might have listened to John Service with a clearer conscience if so many of its Vietnam reporters had not followed the line of least resistance in tailoring their accounts to fit the American embassy's view.*

The performance of the Vietnam reporters is easier to understand when you consider what they had been taught to do. The FSO's main training in political and economic reporting comes as part of their six-week introductory training course at the Foreign Service Institute. As FSI Dean William Broderick explained it, the reporting lessons consist of four "role-playing scenarios":

- a diplomatic conference, at which trainees listen to ministers from "Graustark" and "Ruritania" negotiate various topics. The students then prepare a draft report which the ambassador would use as the basis for a cable to Washington. "We critique these and give the students a sample of what the ambassador might have written himself," Broderick says. "We tell them to write the report up as the ambassador tells them, because after all, as a young officer you're not reporting directly to the Secretary of State."
- a cocktail party, at which the trainees, while maintaining social grace, are supposed to extract information from other diplomats.
- a "biographic" exercise, in which the students prepare a report on one minister of a newly-ascendant government. "Naturally, they try to find out where he was born, his family, his anti-American pronouncements," Broderick says. "But the significant information about this man is that he walks with a limp—which he got in a border incident with a neighboring country five years ago, and which shows that he might be part of a plan to move on that country. This is something the man's friends won't volunteer, since they're used to seeing him walk with a limp. So we see

*Two accounts of how Vietnam reporting went astray are William Bell's "The Cost of Cowardice," *The Washington Monthly*, July 1969; and John Claymore's "The Vietnamization of the Foreign Service," *Foreign Service Journal*, December, 1971. Chris Argyris' "Some Causes of Bureaucratic Ineffectiveness," published by the Department in 1967, gets at the roots of cowardice.

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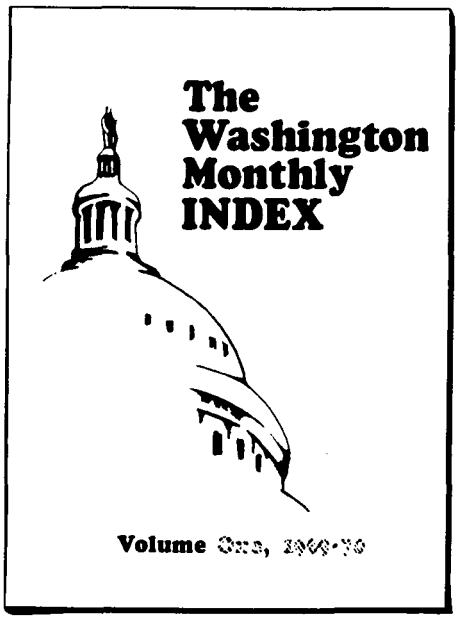

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whether the students are sensitive to this, or if they fall for the crude anti-Americanism."

- a "public opinion analysis," in which the students prepare reports for the English or Argentine embassies on some aspect of the American mood—e. g., U. S. sentiment about the Common Market.

One of the things this training leaves out is the kind of reporting which Frances FitzGerald has given us in *Fire in the Lake*—the understanding of what the war was doing to Vietnamese culture. Maybe such reports, if they had been prepared, would never have been read at the top. But perhaps if someone had pushed one of these reports in front of LBJ, told him about the war in terms he could understand—not about targets and materiel dumps, but about villages and families—he might not have persisted so long.

How Much Must We Know?

As if to make up for not coming through with the reporting we did need from Vietnam, the Foreign Service pads out its normal duties with a lot of reports for which there is no evident need, or even use. Is so much going on in, say, Colombia, that it takes 57 State Department representatives there to keep us in touch? This information glut may be linked to some of the unfortunate aspects of recent foreign policy. As John Kenneth Galbraith, ambassador to India during the Kennedy years (who would not, of course, play down the importance of the reports from the subcontinent) told the Foreign Service Association several years ago:

> If it is supposed that we have a powerful influence over events in Burma or Sumatra, then it follows that we must be meticulously informed on all that goes on in those countries. . . . We must know of the latest developments in the Shan states, and the subversive influences operating among the tribal Indians on the upper Amazon, and the designs of saboteurs against the oil pipelines in Indonesia.

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But if we don't plan to intervene quite so often, our need for data might be somewhat less than the 15 million words produced each month by 5,000 Foreign Service Officers. Germany, Britain, and France all get by with foreign services only a fraction the size of ours.

The Peanut Butter War

And yet, to talk to Foreign Service Officers, one would hardly guess they are bored, or underemployed, or frustrated. High drama—diplomacy! affairs of state!—accompanies even the routine events. This atmosphere enables the Service to keep itself busy with work that would otherwise seem inconsequential or stupid. The priorities of most embassies guarantee that peripheral tasks will consume most of the day.

The first priority is the traditional bureaucratic effort to maintain good relations with Washington. This generates most of the excitement and consumes about 50 per cent of the time. It means keeping up a steady cable traffic so that State will know the boys down in Rio are performing; checking the latest policy and gossip; and shepherding visiting congressmen and Department officials.

The American ambassador to Argentina, John Davis Lodge, illustrates how important this function can become. *The Washington Post*'s Lewis Diuguid reports that Lodge is "best known for his boisterous after-dinner songfests and an apparent lack of interest in political discussion," and adds:

> Under Lodge, the U. S. Information Service here has taken on great numerical strength. . . . USIS employs 18 Americans here, four of whom work full time on press releases and photographs of Lodge and his wife. . . . Newspaper editors often joke about the latest Lodge photo to cross their desks—always marked *urgente*—showing him foremost, smiling broadly, and shaking hands, usually with some visiting American of no news interest. . . . Argentines allege that when North American officials set out on swings through Latin America, they plan the trip to spend the weekend relaxing here.

Second is coordination within the embassy itself. The process that Galbraith described as operating in the State Department also prevails in embassies of any size:

> When I went back [to State] this time one of my assistant secretary friends attended the Secretary's staff meeting from 9:15 until 10:00 a.m. Then he had a meeting with the Undersecretary on operations until 10:30. Then he took until 11:30 to inform his staff of what went on at the earlier meeting. Whereupon they adjourned to pass on the news to their staffs. This, I am told, is communication.

The third priority is a similar form of communication within the American community in the country. There is a certain critical level, surpassed in most Latin American and many African countries, above which the American contingent can generate all its own work. To give one example: during the mid-sixties, the American "country team" in the Cameroons—the leaders of the Peace Corps, the Foreign Service, the U. S. Information Service, the CIA, and AID, presided over by the American ambassador—devoted one of its meetings to working out a fair allotment of Skippy peanut butter among the various American groups in the country.

The fourth priority is taking part in the life of the "diplomatic community." Admittedly this has its significance: at cocktail parties and receptions in Poland, American diplomats were able to brush shoulders with the Chinese. But the governments that must subsidize these activities are probably right in suspecting that the diplomats are operating one of the great con jobs of all time. Of course, not all is joy. Think of the Washington diplomat who, as he talks at a party with Guillermo Sevilla-Sacasa, the Nicaraguan ambassador who is dean of the local diplomatic corps, suddenly realizes how many hours, days, or perhaps weeks, or his life he has spent having identical conversations at other parties. After

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the first few years, this part of the job loses some of its appeal.

Finally, the Foreign Service may actually do what it's supposed to—carrying out the necessary negotiations and reporting the significant facts. But after an FSO has paid attention to the other duties that fill his day, there's not much time left for this.

The shortage of significant work, combined with the reluctance of old FSOs to quit (the annual resignation rate is about seven per cent—very low), means that people must wait a long time before they can move from one of the make-work jobs into one of the few with challenging duties. The first two-thirds of an FSO's career may be described as a prolonged period of warming up, getting ready for the duties ahead. "You go in with a lot of ideals," says Dee Jacobs, who quit the Service and now works in another government department, "but then they treat you like an apprentice for 15 years. That's too long to be an apprentice."

The only thing wrong with Jacobs' description is that it overlooks the warming-up time that follows the initial apprenticeship. John Kennedy's aides loved to tell him that if he had gone into the Foreign Service, he would, at the same age he became President, still be far down the ladder, 10 years away from an assignment as ambassador or deputy chief of mission. Harvard's professor Richard Neustadt has concluded that there is a 15-year gap between the time an FSO is ready to assume responsibility and the time when he gets enough rank to take power. In general, this "mid-career" wait covers the period from age 35 or 40 to age 50 or 55.

When other parts of government cry for talent, how does the Foreign Service justify making its recruits warm up for so long? Robert Steven—a mid-career officer who joined the Service in 1957 and now has a high-status job on the staff of Deputy Undersecretary William Macomber—explained: "We're training them for the eventualities—like the FSO-5, who was in Haiti when the ambassador and the deputy chief of mission were kidnapped. Suddenly, he was responsible for dealing with the Haitian government, securing his officers' safety. Everything he had done for the last 15 years was made up for in that one afternoon." While the Sudanese tragedy shows that such a threat exists, what it implies about wasted talent is alarming.

Decades in the Cellar

Why do they stay? There are other areas—business, politics, journalism, law—which, for all their shortcomings, offer at least the chance for independence and responsibility by age 45. The motives for staying are complex and hard to separate. One is certainly the prestige of the Service, the reluctance to give up that institutional badge; this is the same reason that so few Rhodes scholars come home early. Another element is the "career-in-the-Service" orientation, clear from the start, which discourages short-term diplomats. But the most powerful force may be the subtle bondage of the seniority system, in which the very emptiness of the early jobs binds the employees all the tighter. After spending decades in jobs in the cellar, FSOs naturally want to take their turn upstairs. The longer an officer stays in, the harder it becomes to tear him away from the system of rewards: his investment grows larger, and the time until payoff diminishes. Like congressmen who stop fighting the seniority system after their third or fourth term, few FSOs seriously consider leaving the Service after 10 years.

There is an irony here: when they get to the top, the FSOs may find that what they've been waiting for all these years is only a more elegant version of the make-work they have done all along. It was, remember, the American *ambassador* who chaired the Skippy peanut butter meeting. Often the ambassadors are spared this realization about their work, both

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because they have the first crack at whatever interesting tasks are available, and because the rituals of the Service have made them see excitement in many of the ceremonial functions. But now and then they're given a glimpse of what is really going on. State Department career officers have always been offended by the President's appointment of political hacks to cherished ambassadorships, for this reveals the contempt the rest of the government feels for the work an ambassador does. It's not so bad when the political appointees fit the Service's patrician mold—a retired Senator, perhaps, or a stylish academic like Galbraith or Patrick Moynihan, or the Lodge brothers, who were born in striped trousers. What hurts is when simple plutocracy prevails, and Walter Annenberg takes over the Court of St. James.

But There Are Compensations. . . .

While resentment directed at the Annenbergs is nearly universal in the Foreign Service, not everyone is distraught about the paid-retirement nature of the work. Public service has always exerted a special attraction for those who like the idea of going to meetings all day, consulting and coordinating and analyzing; getting a title like "ambassador to Peru," and being thought of all the while as part of an elite. The U. S. Congress, the office of any mayor, the Department of Transportation, and government consulting firms show that the Foreign Service is not unique. But, as the fierce competition for entry suggests, the Service's enticements are especially fine.

Salary figures for the Foreign Service are misleading, since fringe benefits nearly double the effective pay. Even so, the basic salary is comfortable. Within five years of entry, as an FSO-5, an officer can earn $16,007-19,211; in the later stages of his career, from FSO-3 to FSO-1, his salary will run between $24,554 and $36,000.

Then there are the extras. The FSO is sent, at government expense, to a different country every few years, and the government takes care of most of his earthly needs in foreign lands. The recent dollar devaluation caused more anguish for the State Department budget men than for most other government bureaucrats because the Foreign Service spends so much abroad to support its overseas staff: rental allowances, covering as much as 90 per cent of the local housing cost; a cost-of-living allowance based on the price differences between Washington and the FSO's post; free shipping of furniture and possessions; per diem payments when an officer leaves his post to travel in the country; and what the Service calls a "representation allowance," so that an FSO may properly "represent" his country by hosting cocktail parties. (*Diplomacy for the '70s* says of these representation allowances: "Total funds appropriated for this purpose have been outstripped by demand.")

Those familiar with the "Young Turk" movement which brought a wave of reform to the Foreign Service Association several years ago will not be surprised to find that the reformers have been at work in the perquisite area as well. In its February, 1973, newsletter (included in the *Foreign Service Journal*), the Association lists its three-point platform:

1. Establishing a fair and impartial career system for FS personnel, in regard to promotion, tenure, assignments, and grievances.
2. Establishing appropriate comparabilities to the Civil Service and the military in pay, allowances, retirement, and other fringe benefits.
3. Strengthening AFSA as a foreign affairs professional organization, improving the quality of our performance in service to the nation, and expanding. . . communication with Americans outside the Foreign Service.

To confirm the fact that what came third was no accident, a task force working on *Diplomacy for the '70s* was assigned to review "Personnel Perquisites." It studied them all,

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found none excessive, and suggested a few more:

- Standardized regulations should be revised to reflect four climatic zones for clothing transfer allowance purposes;
- Legislative authority should be sought to provide for kindergarten educational allowances;
- Regulations should be revised to permit reimbursement of extraordinary subsistence expenses of the employee and all family members when the employee is required to occupy temporary quarters without adequate kitchen facilities.

It is not simple materialism that makes these perquisites so important: the FSOs would be elsewhere if they were interested only in cashing in. There is, instead, something in these extra benefits that adds to the aristocratic status of the service.

The Namath of the Striped-Pants Set

Whether the seniority system, or the prestige, or the perquisites keep an FSO inside the system, a decision to stay is a decision to play by all the rules. If you are going to accept the constraints of the Foreign Service, it only makes sense to do what you must to earn the rewards. In the Foreign Service, as in many other institutions, this leads to a "professional ethic," a way of thinking that often replaces the varied motives that first drew people in.

The "pro ethic" means an emphasis on process rather than on goals—concern for being a *skillful* diplomat, rather than achieving world peace. On Wall Street, the pro ethic is reflected by the best lawyers, who bat .350 for their clients, offer the finest skills in the trade, and do not concentrate excessively on the ends to which their talents are applied. The legal profession grants its highest respect to these "pros," and so it is among diplomats.

The Foreign Service makes a virtue of this technical mastery of the craft. There is ample evidence in the memoirs of most ambassadors of how deeply the FSOs respect detachment, impartiality, toughness, and reserve. Ward Just, who in his short stories has captured the soul of Washington better than most journalists or academics, expressed this feeling in his story "Burns":

> This became the central object of his life, membership in the Diplomatic Corps. . . . Burns admired professional diplomats—men who were cool, collected, in control. . . . He saw himself as one of a dozen men in a small room, an anteroom in a foreign chancellery (Belgrade? Helsinki?) conducting secret negotiations, ADC to a giant, Bohlen or Kennan, taking on the Russians by sheer force of logic and remorseless dialectic, arguing them back. . . . Forcing an agreement and then a laconic cable to the Department. *Negotiations concluded.*

In institutional terms, the pro ethic leads to a system of tenure and promotion that is not indifferent to competence, but which judges competence in restricted, don't-rock-the-boat terms. The Foreign Service's ability to stifle dissent has been widely discussed in recent years, mainly because the war produced so many examples of men who did choose discretion over honesty.

A 1967 White House memorandum, discussing the years FSOs spend waiting for resonsibility, explains one reason for the timidity:

> [It] is a long wait. It is a period during which most officers will make at least a small blot on their copy books. The trauma of a bad (or mediocre) efficiency report is ordinarily enough to impress upon the recipient the value of caution and patience. Mid-career officers come to appreciate that the use of the world "abrasive" once in an FSO's files can be enough to counteract repeated appearances of words like "creative" and "resourceful". . . so the art of becoming unabrasive becomes part of the FSO's stock in trade.

The Department is now going out of its way to "encourage" dissent and to open up new channels for complaint. But there is a fundamental tension between these attempts at "openness," and the Service's basic values. William Macomber, who as deputy undersecretary for management has presided over some of the recent reforms, evoked the tension in testimony before Congress in 1971.

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When Senator Claiborne Pell (a former FSO) asked what an officer should do if he were asked to carry out a policy he thought wrong, Macomber said:

> If he is the kind of person that has a pretty low boiling point on these matters, if he really feels untrue to himself to compromise in that way, then I think he is in the wrong business. Then I think he ought to be in politics, speaking out, or be a teacher or writer. Thus I think you have to accept certain inhibitions if you accept a career in the Foreign Service. On the other hand, there is a marvelous reward if you can stay in the Foreign Service and live with the kind of inhibition I described. Because then you are guaranteed a ringside seat in this terrific effort to make peace in the world.

At Least They Had a Good View

The image is accurate—who had a better ringside view than the FSOs when Henry Kissinger was flying in and out of Paris to deal with the Vietnamese? To some extent, the Service needs people who are willing to play this restrained role and contribute their professional competence. It needs the staffers who will take a list of assignments, perform them well by the next day, and not quibble about the policies involved. But the Service needs something else, too: people who are commited to goals rather than just to the process; people who are not afraid to leave when they don't agree with the goals any longer. These appointees are called "political" in the State Department and are held in low esteem. But both types are necessary, and in a different proportion than the current one, which is heavy with careerists. As it is, the State Department has all the drawbacks of an all-career force, while throwing away many of the advantages. For example, its transfer policies, which shift FSOs to a new country every few years, take away one of the main reasons for having a staff of career employees: the institutional memory they build up.

It is cheering to see the word "peace" in Macomber's testimony since the Service careerist usually avoids such specification of goals. More frequently, the excitement of Foreign Service life is described entirely in terms of process. As Robert Steven put it, "There's only one table in town, so this is where you play. You get to see the classified cables moving across your desk. You're in with the inside information. This is where you play the game."

The glamor of the process is bound up with a change in the FSO's personal goals. Most young entrants say they are joining the Service because they want to influence foreign policy. To show what happens later, John Harr's book, *The Professional Diplomat*, quotes one official: "The trouble with most FSOs is that they are too concerned about *being* something or *becoming* something—*being* a deputy chief of mission or *becoming* an ambassador—and not enough with *doing* anything."

Tamed Critics

The pro ethic has also dominated most recent criticism of the Service, especially that of John Franklin Campbell and the Young Turks. It has meant that most of their analyses have missed the heart of what's wrong with the system. Campbell, in his generally excellent *The Foreign Affairs Fudge Factory*, seems upset mainly because the State Department is less important than it used to be, and because things may get worse if the very brightest young people continue to shy away from the Foreign Service. But instead of worrying about slight drops in talent on the intake end, Campbell should be concerned about the enormous losses of talent once people get inside.

The State Department's report, *Diplomacy for the '70s*, does not come much closer than Campbell to answering the basic questions about morale and performance in the Service. One of the report's main recommendations—a guaranteed 20-year tenure for FSOs, to be granted after a brief trial

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period—reflects the strictures on the authors (who were State Department employees). If nothing else were changed, this tenure arrangement would accomplish very little, for too many people would still be doing too little significant work, making up for the missing achievements with a badge of prestige.

I sympathize with *Diplomacy*, though, because it is hard to come up with concrete solutions. A few elements seem promising: for one thing, the mix of career and non-career employees should be changed, and the current calcified hierarchy should be broken up, so that those who fail to sign on at age 25 will still have a chance to work for a few years. This is known as "lateral entry" in the State Department, and it is not popular with careerists.

Much of the resistance is a legacy of "Wristonization," a disastrous McCarthy-era program for massive, sudden "lateral entry." Some 2,500 new people were forced into the middle levels of the Service, partly in hopes of diluting the Service's elite aura. Not all lateral entry plans need be so ham-handed, and they are necessary if the Service is to attract a healthy proportion of non-career officers.

Another approach is to change the job itself, so that at least the Foreign Service does not *attract* people looking for a prestigious sinecure. But this means getting rid of a great many jobs—so that the available work will be less thinly dispersed—and thereby comes the difficulty. Where will they go, these FSOs whose jobs we are eliminating? To the foundations? The universities? Business? In which of these places will the work be meatier, less tied to status-badges, than it is in the Service? What gnaws at the back of our minds is the fear that there will be no place for them to go.

This is the stumbling block both insiders and outsiders face in dealing with the Foreign Service: it is a caricature of the rest of the white-collar world, but it's not all that distorted an image. The Foreign Service's situation is exaggerated—because its prestige is so high, and the value of its work inherently so hard to quantify—but similar problems of overstaffing and empty jobs may be found everywhere. Even if most of us can joke about the Foreign Service with ease, feeling no connection to it, we grow uneasy when the comments come closer to our own companies or agencies. If everyone holding a "ringside-seat" type job were fired, a lot of us would be out on the streets. This may be why the critiques of the State Department, remarkably similar in their charges year after year, have made so little impact: which of us will cast the first stone, or point out that we're all part of a vast featherbed? But until we are ready to face the problem, we can expect the Foreign Service exposes to keep rolling out.

As a way out of this bind, we might start by paying more attention to the distinctions between the jobs that are significant and those which are primarily make-work: in the Foreign Service, this would be the distinction between reporting from the field and "coordinating" at the embassy. If, as many of us privately suspect, the only thing we would accomplish by paring down the Foreign Service—or the foundations, or the universities, or corporations, or government—is to take even the *feeling* of busyness away from many people, then there is little point to the effort. But it is hard to imagine that there is not enough significant work left in the country, work now neglected and understaffed. I don't know what these jobs are—the health area seems likely to contain quite a few, but even starting a list implies more certainty than I intend. I fear that, because we have all conspired to avoid tearing away the veil from featherbedded jobs, the distinction between important and trivial forms of work has become blurred. Searching for that distinction may be the only way to start finding our way out of the white-collar fudge factory. ■

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TIDBITS and OUTRAGES

Power to the People

According to *The Washington Post*'s Dorothy McCardle, the power shortage is already being felt at the White House, and one man there is doing something about it.

Peter Flanigan, special assistant to the President, has ordered the heat turned off in the swimming pool at his Spring Valley home to "save on electricity needed by the community."

Why They Serve: Part I

The Washington *Star News* recently deepened our understanding of what motivates men to become public servants:

> A high-powered, behind-the-scenes battle is being waged between top-ranking bureaucrats and the Office of Management and Budget over elimination of free federal employee parking spaces. [The parking subsidy now costs taxpayers approximately $10 million a year.]
>
> Opposing the OMB proposal are top-level bureaucrats who argue that they work "long and irregular hours" and that free parking is a major consideration when people decide to work for the government instead of private industry.
>
> "It's the biggest struggle in the history of this administration," said one insider who has watched tactical maneuvers by both sides.

Condomnation

Among the less lively offerings of the U. S. Government Printing Office are the notices of seizure proceedings printed in the *FDA Consumer*. However, on page 40 of the December 1972-January 1973 issue, we found this one:

> **Prophylactics, rubber, Comfort Fit**, at Kansas City, W. Dist. Mo. Charged 2-4-72: while held by M & M Rubber Co., Kansas City, Mo., who tested and repacked the article, the article's quality was deficient and its label statement "Sold Only For the Prevention of Disease" was false and misleading, since the article contained holes; 501(c), 502(a). Default decree ordered destruction. (F.D.C. No. 57797; S. Nos. 41-381/2 F; N.J. No. 40)

The Ultimate Terror

Orr Kelly of The Washington *Star News* reports that the Air Force has ordered the first two of an eventual fleet of seven 747 jets specially designed to serve as airborne national command posts in an all-out nuclear war:

> The decision... resulted from a special study made for David Packard when he was deputy Defense secretary....
>
> The chance of nuclear war would be reduced, Packard reasoned, if there were no doubt that the top decision-makers in the government would survive the first blasts of a nuclear attack.

It seems to us that the exact opposite is more likely.

The Shrinking Party

Buried in Donnie Radcliffe's story (*The Washington Post*, March 5, 1973) of the Sammy Davis, Jr. White House gala were these three paragraphs:

> There was a serious moment, too, when Davis proposed a gala fund-raiser—grossing an estimated $2 million, he said—by the "biggest stars in the world," with proceeds going to "those whose husbands or fathers or sons did not come back from Vietnam."
>
> Later, in defining recipients more precisely, he said it would have to be limited to the families of MIAs, "otherwise you'd wind up with only $2 apiece for everyone." Of the other Vietnam casualties Davis could only say, "I know, I know...."
>
> Mr. Nixon described Davis as "the most versatile performer who's ever appeared in the White House," and to reporters later called the gala idea "excellent." The President, however, had interpreted Davis' proposal as a welcome-home party for POWs, possibly set on the South Lawn of the White House.

Why They Serve: Part II

Rep. H. R. Gross has good news for those who have been worried about the financial sacrifices made by those in public service. Of 79 executives recently recruited by the U. S. Postal Service, the Congressman found that 65 received improved salaries. William Eudey, for example, was making $28,500 with American Can; he now makes $40,000 as assistant postmaster general for employee relations.

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The Mafia and the Mexicans:

by Barry Lando

The passing of Ray Farrell was scarcely noticed early this year; much attention was focused on the fate of men like former Secretary of Commerce Peter Petersen and former CIA Director Richard Helms, and few noticed that President Nixon also chose to accept Farrell's resignation after 31 years as head of the Immigration and Naturalization Service (INS). Although Farrell was sometimes considered to be no more than a genial figurehead, his forced resignation was just the latest indication that things are far from right in the Immigration Service.

Most recently there was the 1972 Justice Department investigation of INS called "Operation Clean Sweep," which was instigated by activists in the INS civil service unions, who say they threatened Attorney General Kleindienst with public disclosures if he didn't investigate. The Justice Department probe questioned more than 150 INS officials about charges ranging from selling border crossing cards to smuggling heroin and resulted in several indictments.

For several years before "Clean Sweep," the INS had had difficulty getting funding increases approved, partly because the Office of Management and Budget questioned the competence of many high-ranking INS officials. And during this coming summer, the General Accounting Office will release its own inquiry into the Immigration Service's "efforts to prevent and apprehend illegal aliens," which reportedly will be a scathing indictment of the administra-

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crooked justice from the INS

tive practices of the INS.

Despite the recent attention, the Immigration Service is still suffering from the residue of years of almost total indifference by the Congress, the press, and the executive branch. This bureaucratic anonymity has left an inbred clique of career immigration officials, many of whom, like Farrell, joined the Service on the eve of World War II and are known throughout the agency as the "Class of '41."

The Immigration Service is far from a regular beat for the Washington press corps. Until recently, for the INS to make headlines, it would have had to do something dramatic, like deporting Henry Kissinger.

Congress, too, has shown only sporadic interest in the affairs of Immigration. While congressmen may from time to time ask for INS help in straightening out their constituents' problems, for routine matters of budgeting and policy control, Congress turns things over to one or two specialists. Chief of these is Congressman John Rooney, a Brooklyn Democrat who is chairman of the House appropriations subcommittee which oversees Justice Department funding.

Fortunately for the old hands at Immigration, Rooney has been as sympathetic to them as he was to the FBI when it was run by his close friend, J. Edgar Hoover. The former INS director, Ray Farrell, was a crony of Rooney, accompanying him on junkets so frequently that some INS officials referred to him as "Rooney's baggage boy." Rooney's idea of a tough appropriations hearing consists of an exchange of pleasantries and a few cursory questions. His power is greatly enhanced by a total lack of Senate interest in the entire subject. Although Senate Judiciary Committee Chairman James Eastland heads a

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special immigration subcommittee with a seven-member staff and a budget of $200,000, it has not held full-scale hearings on the INS since 1965.

The executive branch is in a far better position than either the press or Congress to monitor the Immigration Service, but here the problem has been a lack of will. Although the INS contains one third of all Justice Department employees, Ramsey Clark was not atypical when he estimated that as Attorney General he spent less than one per cent of his time dealing with immigration matters. His predecessor, Nicholas Katzenbach, arranged free rides to New England for himself and his family on the INS airplane, but otherwise paid little attention to the Service.

He Stoppeth One of Ten

To be perfectly fair, it must be said that the Immigration and Naturalization Service faces several unusual handicaps. For one thing, its job is virtually impossible to do. Although the INS expels a large number of aliens—500,000 in 1972, 80 per cent of them Mexicans—it barely manages to keep up with the inflow of new arrivals. Border patrolmen in Southern Texas, for example, say that for every alien they catch, nine others get through. Most estimates put the total number of illegal aliens now living in the U. S. at something between one and five million.

Even when it does its job well, the INS wins little popularity. Its task of expelling aliens does not endear it to a public that usually views the process through the perspective of the hapless victims. (For illustrations, see Joan Baez' ballad "Deportee" or Arthur Miller's *A View from the Bridge*, in which two Italians pathetically await the INS.) This kind of demoralization may lead to the corruption and political favoritism that permeate INS activities.

Politics is king at the Immigration Service, and no one is more intimately involved with it than Rep. Rooney. One of Rooney's most effective weapons in last year's successful primary battle with Allard Lowenstein was the thousands of Brooklynites grateful for Rooney's help in allowing them, their relatives, or their employees to stay in this country. An example of Rooney at work is provided by the case of a Filipino teacher who was working in this country illegally. Normally this would mean deportation, but as an immigration official explained in his memo on the case, top INS officials in Washington had told him that "because of Congressman Rooney's interest, no action should be taken until further notice."

While Rooney has the best political pipeline to the Immigration Service, other legislators are also aware of the political rewards of intervening in constituents' immigration problems. Outside intervention is especially fruitful because INS officials are given broad discretionary power to decide immigration cases. In any local INS office, letters from congressmen may be seen on key officials' desks. "When a congressman calls or writes," says one New York INS investigator, "this is a signal for everyone to dance. Not tomorrow. You do the dance immediately. To wit: you ascertain immediately what the congressman wants and you do your damnedest to accommodate him." The New York official should know; congressmen intervene in five per cent of the immigration cases handled by the New York city office.

Politicians keep their hold on the INS by intervening in promotions and hiring in the Service. Immigration officials bucking for a promotion regularly solicit and receive congressional letters and telephone calls of recommendation to boost their cause. "If the FBI operated along the same system," said Ramsey Clark, "the Bureau would have been destroyed in no time flat."

Sometimes congressional interventions and political favoritism involve something as minor as helping a family keep a live-in maid who entered

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the country illegally. But sometimes the issues involved are far more serious. Take the case of Michael Piancone.

The Cheeky Cheesemaker

Piancone runs a $500,000 pizza franchise operation in New Jersey and is said to be the largest employer of illegal Sicilian aliens in New Jersey; he is under investigation by the Justice Department for alleged connections with Carlo Gambino and organized crime.

Piancone first came to the United States from Italy as a visitor and applied for permanent residence in 1966 at the INS office in Newark. Since immigration laws were written to favor those whose vocational skills are in short supply in America, Piancone claimed to be an experienced cheesemaker and submitted an affidavit from an Italian cheese factory. Unfortunately, when a suspicious INS official checked with the factory, he found that Piancone had never worked there. Generally this kind of misrepresentation is grounds for denial of a request for permanent residence, but the Newark officials allowed Piancone to reapply. He submitted more documents—which a later investigation found were laced with half-truths and contradictions—and Piancone's petition for permanent residency was granted. Jim Jacey, the examining officer who approved the petition, says that he was told to do so by Dominic Rinaldi, head of the Newark office.

The Piancone case would have remained closed except that in 1970 immigration officials in the Newark office were investigating the role of illegal immigrants in the importation and sale of heroin, and Piancone's name continually cropped up during the inquiry. Reexamining Piancone's file, an INS investigator noted the peculiarities of the case and asked an assistant U. S. attorney if there was any chance of prosecuting Piancone for submitting fraudulent documents to the INS in 1966. In his final report, the INS investigator wrote, "The Assistant U. S. Attorney advised that in his opinion Michael Piancone could not be prosecuted without prosecuting the approving officer or any officer directing the approval of his application for permanent residence as co-conspirators, inasmuch as they had knowledge of the falsity of the documents at the time of approval." Submitted in January, 1971, the investigator's report was promptly killed by the Newark office. As Jim Donovan, a former Newark INS investigator explained, "We were constantly running into that kind of crap in Newark. Everything was politics and influence."

The Citizen Soldier

Some INS investigators charge that similar machinations led to naturalization of Anthony Anastasia, nephew of the late "Tough Tony" Anastasia, one-time Mafia boss on the Brooklyn docks. In 1966, Anthony Anastasia, who had originally entered the United States illegally from Italy as a ship jumper, was secretary-treasurer of the International Longshoremen Local 1716 in Brooklyn. Since the ILA constitution stipulates that all union officials must be American citizens, Anastasia was in danger of losing his union post.

Although not publicized at the time, Jack Lazarus, the key INS investigator for the Anastasia case, strongly believed that Anastasia should be denied citizenship. In March, 1966, Lazarus was sent to Utica, New York, Anastasia's home prior to moving to Brooklyn. Police reports, beginning as early as 1959, listed Anastasia as an associate of local underworld leader Joe Falcone and alleged that Anastasia was taking a 10 percent skim-off from illegal slot machine operations in the Utica area. After a few hours' investigation in Utica, during which Lazarus felt he had developed promising leads to Anastasia's past, the INS investigator

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was abruptly ordered back to Manhattan by his supervisor. Despite Lazarus' objections, the Utica investigations were called off. So Anastasia applied for U. S. citizenship, which a Brooklyn court granted later in 1966.

That same year the FBI listed Anastasia as a "soldier" in the Gambino family of the Mafia—a listing which still stands. INS officials told newsmen, however, that they had spent two years investigating Anastasia's background and found nothing serious enough to block his chances for citizenship.

Some INS investigators suspect that Rep. Rooney may have played a role in the Anastasia case. One of Rooney's key political supporters is Tony Scotto, a Brooklyn Longshoremen official who, according to the FBI, is a "captain" in the Gambino family of the Mafia. Whatever else may be said of the connection, it contains a certain irony, since the FBI (whose money comes through Rooney) has been hounding Scotto (whose help goes to Rooney).

Hoffa as Angel of Peace

But procedures like these are not limited to INS offices in New York and Newark. Take the Boston office, run by Patrick Coomey, another member of the Class of '41. Coomey's original political patron was said to have been former House Speaker John McCormick, and he is now reportedly closely tied with the office of House Majority Leader "Tip" O'Neill. For years one of Coomey's warmest friends was prominent Boston immigration lawyer, John Driscoll. In 1971, when Coomey was Immigration's deputy director in Boston, Driscoll was convicted of conspiring to smuggle aliens into the country, served four months in Danbury Penitentiary, and was disbarred.

INS investigators and other government officials who developed the case against Driscoll feel that Coomey's actions during the probe were, at best, unethical and may have been actually criminal. For example, the investigators suspect that Coomey leaked material from INS files to Driscoll for his defense. One of the investigators, Bob Ramsey, detailed this and several other charges against Coomey in a memo he sent to the Justice Department as Coomey was being considered for director of the Boston office.

The memo was mailed on April 2, 1971, and less than three weeks later Coomey was promoted without an investigation; no further investigation has been held since then. This was typical: for years the top officers in INS have covered for each other, squelching investigations, keeping scandals quiet. The Justice Department claims that they sent Ramsey's memo to the Immigration Service. Although the INS acknowledges receiving a similar memo from Ramsey a few months after Coomey's appointment, Immigration officials contend that they never received the original memo. As for Driscoll, even months after he was disbarred and thereby prohibited from handling immigration cases, he continued to frequent Coomey's new office and maintain an active interest in pending immigration matters.

This playing of favorites extended to the very top of the INS structure during Farrell's regime. For example, take Farrell's involvement last September in former teamster leader Jimmy Hoffa's efforts to go to Hanoi to negotiate a prisoner release before the Vietnam ceasefire. Recently released from prison and barred from holding union office, Hoffa was stopped only when Secretary of State William Rogers overruled the Passport Office decision to validate Hoffa's passport for the trip. According to high officials in the Passport Office, it was Farrell who played a key role in convincing them to approve Hoffa's request. The then-INS director made two telephone calls to the Passport Office suggesting that Hoffa had support from leading Justice Department officials for the Hanoi journey. Farrell reportedly asked the Passport Office

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to avoid mentioning his interest in the Hoffa case and still refuses to explain why he intervened.

Marlboro Man

Even the rugged outdoorsmen of the Border Patrol, perhaps the most dedicated group in INS, feel hamstrung by political considerations. Although the 1,500 members of the Patrol have a legal right to go anywhere within 30 miles of the U. S. border, several Border Patrolmen stationed in Texas claim they have been told to avoid certain ranches where they know that the owners are working illegal immigrants at pay levels of three and four dollars a day. "Nobody backs us up when we want to do something about it," said Al Cowan, an official of the Border Patrolmen's union, "Our supervisors should back us up, from the ones right above us to Washington, D. C. But they don't. You could say their motto is: 'Don't Make Waves.' "

Typical of the political interference about which patrolmen complain is the D-5 program, which permits Mexicans to work in this country provided that they act as spies for the INS and identify illegal aliens.

A number of patrolmen claim the program is a farce because many D-5s never turn in illegal aliens. INS officials deny this, pointing to the detailed files kept on tips provided by each informant. But Al Cowan claims that he—like many patrolmen—has been ordered to falsify records in order to make the D-5 program appear productive.

While Congress seems the principal beneficiary of the political favors provided by the INS, the Immigration Service is not above giving a little help to the Nixon Administration as well. Take Romana Banuelos, appointed by the President in October, 1971, to be U. S. Treasurer—the woman whose signature appears with that of Treasury Secretary George Shultz' on new dollar bills. She fit perfectly into President Nixon's pantheon of self-made Americans, having scrambled up the economic ladder in Los Angeles to become director of a bank and owner of a large Mexican food-products plant. Many in Los Angeles feel that she rose to the top on the backs of her fellow Chicanos.

A few days after Ms. Banuelos' appointment as Treasurer, the INS raided her Los Angeles plant and found a large number of illegal aliens working there. This was far from an isolated occurrence; it was, in fact, the sixth time Ms. Banuelos had been cited for employing illegal aliens. After attracting some newspaper attention the issue soon died down.

It is not against the law to hire illegal aliens, but it is illegal for American citizens to hide them from the INS. In April, 1972, Teamsters Local 630, then on strike against the Banuelos plant, told INS officials in Los Angeles that illegal aliens had been hidden during the October raid by Ms. Banuelos and her son, the plant foreman. An INS investigator began looking into the case, taking statements from a large number of eager witnesses. But abruptly the probe was canceled. Officials in Washington claimed that the Banuelos inquiry had been merely "suspended" because the National Labor Relations Board was looking into the dispute with the Teamsters. Yet, an NLRB attorney handling the Banuelos case said that INS had never bothered to contact his office and, if asked, the NLRB would have voiced no objection to the INS investigation.

Appointment of a new director for the Immigration Service is more likely to provide cosmetic changes than to curtail the political favoritism and corruption which permeate it. The man who many believe was the real power in the INS under Farrell—Ed Loughran, deputy director—is staying on. Even then, how well the INS performs will depend on the man at the top, because Congress, the Justice Department, and the press have been satisfied to let the agency rest in squalor. ■

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THE SCREWING OF THE AVERAGE MAN:

The case for the extended family: Life Insurance today

by Urban Lehner

As cinematic art, the 30-second clip is hopelessly flawed by melodrama. But as an example of a certain genre of television selling, it is unexcelled. A 30-ish father is playing basketball with his son when suddenly the action stops. Booms the ominous voice of the narrator: "If you die, young man, will your son have a backboard to shoot at?"

What sets this and other life insurance commercials apart from the normal Madison Avenue fare is that they seem to pander to our *best* instincts. We can renounce the Oldsmobile and walk to work, feel socially virtuous as we perspire through the summer without an air conditioner, and haughtily eschew such sleazy baubles as the electric knife sharpener. But where is the man so cruel that he would deny his flesh and blood a little innocent recreation should he no longer be there?

By holding out this promise of never-ending security for our families, the life insurance industry has grown, in one century, from a tiny clutch of companies with little capital into one of America's most powerful business empires. In 1971, the last year for which figures are available, total life insurance in force in the United States was $1.5 trillion, up 139 per cent over 1961.

Americans bought $189 billion worth of new life insurance in 1971; by contrast, the market value of the new automobiles they purchased that year came to $33 billion. In all, the life insurance industry collected $23 billion in premium payments. You can count on two hands the nations of the world whose gross

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national product in 1971 exceeded the total income of U. S. life insurance companies.

Aside from paying tribute to the industry's economic muscle, this litany of statistics underscores something else about life insurance: the extent to which it has become an unchallenged article of faith for every American. It is not simply that nine out of every ten American families own some form of life insurance; it is that it would be almost unthinkable not to be covered.

While life insurance exerts its strongest hold over people who sink neck-deep into the swamp of mortgages and credit buying, even those who reject other fruits of the American economy willingly embrace insurance. There is a young artist who lives with his wife in a dingy one-room apartment in Manhattan. His sole concession to the age of Edison is a two-slice, pop-up toaster, which he wryly refers to as *the* appliance. Yet this person, who would blanch at the idea of allowing a three-speed blender into his home, owns a $50,000 cash-value life insurance policy.

This American compulsiveness about life insurance has come about only in the last few decades. As recently as the turn of the century, most of the life insurance in this country had a face value so low that it amounted to a euphemism for burial coverage. Most policyholders were factory laborers; premiums were collected each payday, before the insured could squander his earnings elsewhere.

The universality of life insurance was largely precipitated by two historical forces. One was the dissolution of the extended family. As long as all the generations lived in the same household, the head of the family didn't need life insurance; his widow would be cared for by the children, or, if he died while the children were not yet self-supporting, *his* father would provide. The second influence was the Great Depression, which left profound psychological scars on the generation of Americans who grew up then.

Curiously, Herbert S. Denenberg, the Insurance Commissioner of Pennsylvania whose salvos have made him the insurance industry's Public Enemy Number One, in some ways exemplifies the security-mania of the Depression-era generation. One of eight children in a family with no savings or life insurance when his father died in the thirties, the 12-year-old Denenberg was deeply moved by his mother's ensuing financial predicament. Today, despite his attacks on the industry, Denenberg pays $2,000 a year in premiums on life insurance policies worth nearly $200,000.

Indeed, charges that life insurance as currently marketed is an out-and-out fraud reverberated through hearings held in late February by Senator Philip A. Hart's antitrust and monopoly subcommittee. No one who testified—including Denenberg, whose motto "Populus Iamdudum Defutatus Est" translates roughly into "The Public Has Been Screwed Long Enough"—put a dollars-and-cents value on the screwing. But in an interview a few weeks before the hearings, he "conservatively" estimated that life insurance customers pay $5 billion a year more than is necessary.

Fine Print Finessing

If that figure is accurate, and Denenberg swears it is, then life insurance has earned a place alongside innumerable sellings of the Brooklyn Bridge in anyone's almanac of notable consumer disasters. But according to the industry's critics, even more remarkable than this grand swindle's breathtaking scope is the classic way it is executed. The screwing of the average life insurance buyer, perhaps more than any other outrage the average man must endure, results from a syndrome that has come to be called the "tyranny of the experts."

Life insurance did not invent this tyranny. It has grown apace with the

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increasing complexity of our society. A doctor is no longer a general practitioner, he is an obstetrician or an ophthalmologist. And as our work becomes more intricate, our ability to cope with intricate problems outside our work declines. Companies like H & R Block have made millions by guessing correctly that the bureaucrat who glories in fine print at the office will hire someone else to wade through the fine print on his income tax return when he gets home.

But there is something about the complexity of life insurance that seems deliberate. It is almost as if the intricacies were put there for the purpose of confusing—possibly to hide true cost, possibly to justify the existence of a whole layer of experts who, for a cut of your premiums, may or may not disclose some of what lurks beneath the fine print.

Certainly the idea behind life insurance is simple enough. It is what lawyers know as an "aleatory," or gambling, contract. The insurance company wagers that you will remain alive at least until the total of your paid-in premiums plus the interest earned by investing them exceeds the face value of the policy. You hit the jackpot if you die the day after the policy takes effect. Yet by a combination of opaque phraseology, murky prose, and optional extras, the people who write life insurance policies have managed to make them almost incomprehensible. The result, as one ex-Chartered Life underwriter puts it, is that "You Only Know What the Salesman Tells You."

Denenberg reveals the average man's dependence on experts with no little irony in his first life insurance "Shopper's Guide," one of a series of booklets, in which his Pennsylvania Insurance Department, naming names and quoting rates, ranks the best life insurance buys. An industry group, the Insurance Federation of Pennsylvania, responded to the guide by advising consumers instead to telephone, toll-free, its Consumer Information Service. Philadelphia *Evening Bulletin* columnist Rose DeWolf did just that. Her inquiries were fielded by a pleasant-sounding young lady who confided that life insurance is very complicated and suggested she contact an agent who could fully explain its intricacies.

One of the major sources of confusion is the difference between the two great types of policies: "term" life insurance and "cash-value" life insurance.

Personal Depreciation

Here is how term insurance works: You buy it for a given "term" of years, typically five. If you're still alive when renewal time rolls around, it is true that you will have literally nothing to show for your premiums —other than having been insured for five years, Because your risk of dying increases with each passing year, your renewal premium will rise as you grow older. Alternately, in what is called a "decreasing term" policy, the premium will remain level, but the face value will decline over the years. Thus, the decreasing term policy that was worth $100,000 when you bought it at age 25 might net your widow, say, $20,000 when you die at age 64.

But none of this is as stupidly self-defeating as it sounds. Rather, it has a certain logical neatness about it that helps us keep our minds on what we are about when we buy life insurance. What is being insured is the future ability to provide for our families. As long as we aren't confusing insurance with some sort of old-age pension plan, we should not be startled by the concept that at 64, with our income-earning years mostly behind us, our lives are actually worth less than when we were 25. And a 64-year-old widow will have to be supported for a shorter time than one age 25. We simply don't need as much life insurance as we grow older.

Since term insurance embodies all the basic ideas of life insurance, it might seem reasonable to assume that term constitutes the core of the

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average company's product portfolio. That, of course, is not now the case, nor has it ever been. From the beginning, insurance companies have found more profit in gimcrackery than in what term advocates call "pure insurance"—a trend that has led directly to "cash value" policies.

During the 18th century in Europe and the 19th century in America, for example, wager policies flourished. With a wager policy, you could insure the life of another—without his knowledge. Governments quickly found it necessary to legislate against such insurance because of the inordinate number of murders that seemed to result.

Another unusual policy was the "tontine." The tontine buyer gambled that other tontine buyers would forfeit their coverage by falling behind in their premiums, thus enlarging the pot of paid-in premiums to be divided among the survivors. Elizur Wright, insurance commissioner of Massachusetts in the mid-1800s and the Herbert Denenberg of his day, wrote: "I became persuaded that life insurance was the most available, convenient, and permanent breeding place for rogues that civilization had ever presented."

Far from being completely extinguished, the notion of tying life insurance to some sort of dressed-up roulette game is enjoying a sort of renaissance. After years of study, the Securities and Exchange Commission (SEC) recently gave the green light to "variable life insurance." With a variable policy, the cash value would fluctuate above a stipulated minimum death benefit with the rise and fall of the stocks and bonds in which premiums were invested.

How the variable policy will work in practice remains to be seen. The SEC ruling has been challenged in court by a group of mutual fund managers, holding out the prospect of extensive litigation. Be that as it may, it is obvious that the insurance industry did not amass a $1.5-trillion colossus by riding the roller coaster with Wall Street.

Since the turn of the century, the cash-value policy has come to be the industry's lifeblood. Some 75 per cent of the insurance in force today is of this variety. Cash-value insurance amounts to a combination of a savings account and a term life policy. It builds cash values you can borrow against or use for your retirement, and it is in fact "permanent" insurance at a level premium (basically, the level premium is a trick of averaging; you overpay in the early years of the policy so that you can underpay in later years). Agents point out the superiority of cash-value by saying that term insurance "melts away like a block of ice in the sun, leaving a big puddle of nothing."

Goodby Hartford, Hello Wall Street

Dissenters say you pay dearly for all the supposed advantages of cash-value life insurance. They note that the "interest" your savings earn is low—about two-and-a-half per cent. Compare that with high-grade corporate bonds which yield six per cent and better. Even commercial bank savings accounts currently pay more than four per cent.

Furthermore, the dissenters argue that buying cash-value life in effect leaves you underinsured, because, for the same annual premium that will buy a $15,000 or $20,000 cash-value policy, you could purchase a term policy worth around $100,000. What about your old age? Put the difference into something that will fetch a decent rate of return for your old age, they reply. To use the six words that can make most life insurance agents turn blue: Buy term and invest the difference.

The industry's reaction to this logic, expressed in a sort of sputtering outrage, has often boiled down to the patronizing homily that people won't save unless they are forced to. *The National Underwriter*, a trade journal, responded to a pioneering series of pro-term articles that appeared in

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Consumer Reports in 1967:

> What does "can afford" really mean? Too often it means a pitifully small amount for premiums after expenditures for a too-costly car, too-lavish a home, too-quickly replaced furniture, and too-fancy expenditures have left so little that the head of the family excuses himself from buying a decent amount of life insurance on the ground that he can't afford it. But he can "afford" creature comforts and status symbols that put him in hock up to his neck.
>
> Advice like that in the *Consumer Reports* article gives many readers an excuse for not buying the permanent life insurance they need and could afford with a little self-discipline. They'll take the term insurance advice, but we doubt many will even start on the investment program that goes with it. And of the few that do start, still fewer will carry it to completion, for it's too easy to sabotage such an account for a new power boat or a summer home.

It seems almost irreverent to point out that the insurance industry is so concerned about you that to make sure you don't buy that power boat or summer home it adjusts the commission schedule to encourage its agents to push the right kind of insurance. While getting 55 per cent of your first-year premium on a cash-value life policy (and five per cent of the next nine years' premiums), the agent receives something like 30 per cent of the first-year premium if he sells you term. In contrast, the federal Investment Company Act of 1940 permits mutual fund salesmen only a nine-percent sales charge the first year.

Who Needs An Agent?

Such comparisons do not sit well with the industry, which prefers to focus on the "service" its agents render, both by counseling families and by taking part in the many civic activities that have become an informal part of the agent's job. While not totally without merit, these extra services are not very comforting. Does the agent who represents a high-cost insurance company *advise* his clients that they can get a better deal from another company? Likewise, the buyer can be excused his skepticism for wondering whether he might not be better off if his policy were written simply enough so that his agent could spend *full* time on the United Fund.

On a minor scale, of course, the relatively free-form workday of insurance men has had some political and social implications. Of the 1,490,000 people employed by the life insurance industry in 1971, some 450,000 were agents. There are probably any number of churches, charities, and parochial schools that would not have made it financially had they not been able to enlist the aid of the local life insurance salesmen to drive buses, organize bingo games, run fund drives, and otherwise contribute time. It is also no coincidence that in many state legislatures, the representation of insurance agents ranks second only to that of lawyers. Who else has the time to campaign on a Wednesday afternoon? (In some legislatures passage of no-fault auto insurance has come down to a fight between insurance men, who have generally favored it, and lawyers, who have bitterly opposed no-fault schemes.)

In recent years, two developments have occurred that amount to a tacit industry recognition of the high cost of the agent system. One is the appearance of the "adjusted" method of calculating insurance company profits in financial disclosures. Required by state laws to accept the salesman's full first-year commission as a one-time expense in reporting "statutory earnings," insurance companies have increasingly taken to reporting a second set of figures as well—"adjusted earnings"—showing what profits would have been were salesmen's commissions evenly averaged out over a period of years. Not surprisingly, the "adjusted" profits are usually larger.

The rise of the mail order health insurance company also evinces industry dissatisfaction with the agent system. Under attack by many insurance commissioners for gimmicky

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policies and fraudulent advertising, the mail order firms nonetheless have opened the door to an insurance sales system in which the agent would go the way of the whooping crane. Can mail-order also sell life insurance? Companies catering to military personnel, forced to deal by mail with a largely transient clientele, have been doing it for years, and usually at lower premiums.

From the customer's point of view, the agent system has a serious shortcoming. Whose interests does the agent represent? Denenberg, for one, sees the problem as one of stupidity rather than cupidity. At least 40 per cent of the licensed life insurance agents are incompetent, he asserts. Other critics are not so kind.

Women Are Cheaper Than You Think

In all the hubbub over term vs. cash-value policies and the role of agents, few people have stopped to wonder what the life insurance industry does with all those premium payments it mops up. Yet perhaps as good a question as how you construct a $1.5-trillion structure is what you do with it once it is built.

That apparently is a question that has perplexed the industry, too. From the beginning, it has been the repository of sizeable sums. Richard McCurdy, president of the Mutual Life Insurance Company in the late 1800s, complained that "we had a lot of money coming in that we did not know what to do with." By 1971, the total assets of life insurance companies exceeded $222 billion. Invested, those assets represented seven per cent of all moneys flowing into financial markets.

Because they see themselves as quasi-eleemosynary institutions, existing for the benefit of widows and orphans, life insurance companies have always invested their assets conservatively. In 1971, 36 per cent were tied up in corporate bonds, 34 per cent in mortgages, and only nine per cent in common and preferred stocks. And at that, 1971 was a relatively risky year for insurance company investments. In the 1890s, with sentiment for (and against) silver running high, some companies refused to lend money to governmental agencies of states that had legislated against payment of debts in gold.

The stolid, rock-like financial stability of major life insurance companies, whatever its potential for abuse, helps explain why we are so mesmerized by life insurance. Because the companies we deal with convey such an aura of permanence—among the industry leaders today are the same concerns that led the industry in the 1890s—we are lulled into thinking of life insurance as an eternal verity, into thinking that there must be a good reason why we have always invested in life insurance. Ergo, we must need it.

Do we? Some of us do. A young father with children would certainly be unwise to be without *some* coverage. But in calculating insurance needs, he tends to forget there is some life insurance in the group health coverage provided by his employer. It is also a good idea for a family with a hefty mortgage to own a decreasing term policy linked to the outstanding mortgage amount. In fact, it is such a good idea that some lending institutions require it. Another motive for buying insurance may be the fear that a husband will die and leave his family to cover the monthly payments on the car, furniture, and house.

But for people without the responsibilities children and mortgages imply, the need for life insurance is open to question. Does the wife work? Would she if the husband died? As befits an industry with roots in the 19th century, life insurers assume that either the wife is too frail to work or a husband would not want her to. On the other hand, since actuarial tables prove that women live longer than men, women who insure their own lives pay slightly lower premiums.

And again, there is the point that as we grow older, our need for life

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insurance in fact fades. Granted, we then need something for our old age—but is that something life insurance, an annuity, a savings account, real property, or what? If nothing else, term insurance, because it is temporary, offers the advantage that you can turn it off when you no longer need it.

The Price on Your Head

The Senate hearings, where the term/cash-value debate came under the stark scrutiny of the television lights, were not without intellectual roots. Rather, they climaxed a mounting surge of criticism. While Ralph Nader tilted with the auto industry during the mid-60s, an army of critics blasted away at the life insurance industry in a series of books and articles. Like the *Consumer Reports* series in 1967, many were fuel for the controversy over term insurance. (Predictably, some of the pro-term books were written by stockbrokers and mutual fund salesmen.) Others, like *Pay Now,*

Shopper's Guide Information

Under Herbert Denenberg, the Pennsylvania Insurance Department has published two guides devoted to life insurance—one on term and one on cash-value policies.

To make the guides readable, some limiting assumptions were made. For one thing, the costs of only the largest of the 480 companies doing business in Pennsylvania are charted. For another, the cash-value guide ranks the companies according to the average yearly cost over a 20-year period starting at three different ages—20, 35, and 50. And while some attempt was made to adjust for differing policy features (most notably, the provision—optional in some policies, standard in others—that the company will waive or even pay premiums should you become disabled), the permutations are so numerous that no such effort can be completely successful.

Nevertheless, the guides do convey a rough feel for the market. They also show, according to Denenberg, that when you buy cash-value insurance, you may be better off sticking with some—although not all—of the larger, better-known, more financially stable companies. The guides also include disappointing news for anyone with the bright idea of balancing his term and cash-value coverage by building term "riders" into his cash-value policy. The guides indicate that there is little correlation between companies providing good term buys and those with good cash-value offers.

Including reprints, several hundred thousand of the life insurance guides are in circulation. The Pennsylvania Insurance Department is no longer able to send copies to out-of-state residents. However, a commercial publisher reportedly plans to bring out an updated version.

Here, without accompanying cost or premium data, is an abbreviated summary of the guides:

Offering the 10 lowest-cost $10,000 cash-value policies were:

Bankers Life Company (Iowa), Home Life Insurance Company (New York), National Life Insurance Company (Vermont), Connecticut Mutual Life Insurance Company, Phoenix Mutual Life Insurance Company, Northwestern Mutual Life Insurance Company, Central Life Assurance Company (Iowa), State Mutual Life Assurance Company of America (Massachusetts), Modern Woodmen of America, Lutheran Mutual Life

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Die Later by James Gollin, a Chartered Life underwriter who "saw the light," lambasted everything about the industry.

None of them made much of a splash. Getting across the consumerist case against life insurance had to wait for Herbert Denenberg, which is to say it had to wait for a man with a combination of his unique qualifications (he has two law degrees and a Ph. D. in insurance), a suitable forum (the insurance commissionership of a major industrial state), and a flair for grabbing headlines.

As Denenberg sees it, term vs. cash-value is a peripheral issue. The real problem is that the complexity and diversity of life insurance policies obscures their true cost, thus effectively minimizing price competition. The problem, to use the economist's word, is that the market is not transparent.

It is a compelling argument. For one thing, you cannot make an intelligent choice by comparing premiums. Buying a policy for its low premium alone would be like choosing a Toyota over a Porsche because it costs less.

But while even the inexperienced car buyer knows enough about cars to assess the difference between a Toyota and a Porsche, only a minuscule percentage of insurance shoppers can distinguish among the reams of policies offered by the nation's 1,800-odd life insurance companies.

How rapidly do policies build up cash values? Which pay the most generous dividends? Are there any optional features built in? Are they worth the money?

Denenberg's shopper's guides take many of these factors into account in their listings of the best and worst life insurance buys. They also take into account another significant but oft-ignored variable: how much your money could yield elsewhere. The upshot is somewhat startling: policy costs varied as much as 170 per cent.

No one has ever polled the average American to find out what he thinks of the life insurance deal he gets. But the reaction to Denenberg's shopper's guides serves as a rough gauge of a prevailing public mood that all is not right.

At one time, requests for the guides were coming at the rate of 5,000 a day, according to Denenberg. Companies that ranked poorly withdrew policies. Security analysts checked the guides before putting out a "buy" recommendation on a life insurance stock. Salesmen for the "good deal" companies began using

Insurance Company.

Offering the 10 highest-cost cash-value policies were: Georgia International Life Insurance Company (Denenberg says this company has since withdrawn its policy), The State Life Insurance Company (Indiana), Valley Forge Life Insurance Company, The Employers Life Insurance Company of America (Delaware), Old Republic Life Insurance Company (Illinois), Wabash Life Insurance Company, Pennsylvania Life Insurance Company, Puritan Life Insurance Company, Security Life and Accident Company (Colorado), Travelers Insurance Company.

Among $25,000 five-year renewable term policies, the five best offered were by: USAA Life Insurance Company, Berkshire Life Insurance Company, The Prudential Insurance Company of America, Home Life Insurance Company, Mutual Benefit Life Insurance Company.

The five worst were offered by: American Republic Insurance Company (Iowa), Standard Mutual Life Insurance Company (Kansas), The Baltimore Life Insurance Company, Benefit Trust Life Insurance Company, The Unity Mutual Life Insurance Company of New York.

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the guides, and young men thinking of becoming agents sought Denenberg's advice. "Goddam," Denenberg declared, "we're kicking hell out of the marketplace."

Willing Victims

Needless to say, "the enemy" does not see it that way. *Best's Review*, an industry publication, surveyed the insurers last summer and got the same answer from companies at both ends of Denenberg's chart: minimal impact on sales. A self-serving answer, to be sure, but one that is not entirely unbelievable if you harbor any lingering doubts about the consumerist ideology. Like Theodore Roosevelt's Bull Moose reform movement, consumerism assumes that "the people" will right all wrongs so long as they have the facts. That has only rarely been true in the political arena, and as for shopping habits, *The National Underwriter* pointed out last spring:

> Most people buy what they buy—groceries, automobiles, insurance, liquor, and whatnot—knowing full well they could get as good a product for less money by shopping more cannily. But they feel comfortable with their regular sources, and they continue to patronize them unless they find that the cost differences are reaching unreasonable levels.

And while Denenberg, like the Pope, will admit no fallibility in what he has done so far or what he is likely to do ("As far as I'm concerned, the sky's the limit," he says), perhaps even Denenberg has come to realize the constraints of his conceptual framework—or lack thereof. Since no legislation that the industry opposes is likely to be enacted at the state level, Denenberg proposed at the Senate hearings a law limiting life insurance to about two simple, standardized policies.

That is a suggestion that will surely provoke the ire of not only the insurance industry but the National Association of Manufacturers and other business groups. They will undoubtedly claim that such a statute would give shoppers less freedom of choice. In the case of life insurance, where we now essentially have the freedom to be bamboozled, that contention will face rough going. While the idea of a federal solution to every problem has become less tolerable even to liberals, the insurers will have to do a better job of explaining what we are getting for our life insurance dollar, or the passage of a "Truth-in-Life-Insurance Act" may not be too far down the pike. ■

Beware of net costing

At some point, the average man, befuddled by 50-word sentences and groggy from trying to master the arcane argot of life insurance, delivers himself into the hands of an agent. Prodded for cost information, the insurance man as likely as not will treat the average man to a neat bit of arithmetic razzle-dazzle known as "net-costing."

Listening to a net-cost explanation is like reliving a scene from James Thurber's *The Figgerin of Aunt Wilma.* Through a series of seemingly simple steps of division and subtraction, the agent will isolate the cash surrender value of the policy from the potential death benefit—thus "proving" that the *insurance* really costs considerably less than it seems to.

This hocus-pocus, discredited years ago, proves nothing. Even if it did, the agent is not likely to provide comparative net costs of other companies' policies. The cash surrender value quoted may be based on a liberal projection of the dividends the insurance company will declare. And the net cost does not take into account what the buyer's money would have earned elsewhere at the prevailing rate of interest.

Let the buyer beware.

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MEMO of the Month

The Church finds new sources of eternal truth

University of Notre Dame

February 6, 1973

To the Notre Dame Community:

The Committee on Campus Honor is studying the communal, academic, and moral realities which underlie the problem of honor at the University of Notre Dame. It began its studies in the Spring of 1972, when it was established by the Board of Trustees, and now has reached a point in its inquiry where it must ask the assistance of every member of the university community.

The Committee is seeking to understand what kinds of actions are regarded by members of the community as morally reprehensible or morally commendable. For our study we need to collect incidents of any sort that have occured on this campus involving actions which, from a moral point of view, you regard as seriously bad or unusually good. Therefore we ask students, faculty, administrators, and staff to give us, in a short paragraph, a report of any specific incident you know to have occured, involving any person or group at Notre Dame, at any level, in which the actions were especially to be morally praised or condemned.

Please send your written accounts to the Committee on Campus Honor at one of the following addresses:

P.O. Box 609 (or) 310 Administration Building (or) 356 O'Shaughnessy

Please do not identify yourself or the persons involved in the incident. The Committee is not concerned with the acts of particular people, but rather with the scope of moral feeling on the campus. Please indicate whether you are a member of the Faculty, Administration, the Graduate Students, the the Undergraduate Students, or the non-academic Staff.

We need to collect all responses by Friday, February 16. They will be carefully studied and prepared for further steps in our inquiry.

Cordially,

/s/

Edward Vasta, Chairman
Committee on Campus Honor

FACULTY: PLEASE READ THIS REQUEST TO YOUR CLASSES

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WORK IN AMERICA

- ☐ **Striking Out on Your Own** by Paul Dickson
- ☐ **America the Featherbedded** by Suzannah Lessard
- ☐ **Breaking Out of the Work Prison** by Suzannah Lessard

SEX AND POLITICS

- ☐ **Violence and Masculinity** by Lucy Komisar
- ☐ **Gay is Good For Us All** by Suzannah Lessard
- ☐ **Spocklash: Age, Sex, and Revolution** by Philip Slater

"When all is said and done, the gruesome truth that the less advantaged were sent to die in this war will surely rank high among the depravities spawned by the venture."
Suzannah Lessard, from "Let Those Hillbillies Go Get Shot"

CULTURE OF BUREAUCRACY

- ☐ **The Special Assistant** by Russell Baker and Charles Peters
- ☐ **The Cost of Cowardice: Silence in the Foreign Service** by William Bell
- ☐ **The Stupidity of Intelligence** by Morris Blachman
- ☐ **The Art of the Memorandum** by Francis Fisher
- ☐ **The Right to Speak Out From Within** by David Hapgood
- ☐ **Exit, Voice, and Loyalty** by Albert O. Hirschman
- ☐ **How the Government Can Find Out What It's Doing** by Jack Gonzales

THE PRESIDENCY

- ☐ **The White House Staff vs. The Cabinet** High Sidey interviews Bill Moyers
- ☐ **The Prince and His Courtiers at the White House, the Kremlin, and the Reichschancellery** by Russell Baker and Charles Peters
- ☐ **Why LBJ Would Have Failed Regardless of the War** by David S. Broder
- ☐ **Cuban Missiles and the Myth of Kennedy Macho** by Graham Allison
- ☐ **Analyzing Presidents: From Passive-Positive (Taft) to Active-Negative (Nixon)** by James David Barber
- ☐ **Richard Nixon, The Last Liberal** by Garry Wills

THE CASES AGAINST

- ☐ **The Case Against Social Security** by Milton Friedman
- ☐ **The Case Against Tenure** by Suzannah _essard
- ☐ **The Case Against Foundations** by Taylor Branch
- ☐ **The Case Against Diplomaism** by David Hapgood

"The self-esteem of foundations is gravely fixed, with sinews as taut as those of Richard Nixon's self-control. A concerned philanthropist sees a mixture of Henry Adams, John D. Rockefeller, St. Francis of Assisi, John Dewey, and Galileo in the mirror. In the midst of tax breaks, lofty visions, and the hungry poor, however, he comes on like Don Quixote in a limousine."
Taylor Branch, from "The Case Against Foundations"

OUTSIDE INFLUENCES

- ☐ **How Industry Regulates Government** by Senator Lee Metcalf
- ☐ **The Highwaymen** by David Hapgood
- ☐ **The Harvard Faculty and Henry Kissinger** by Michael Kinsley
- ☐ **How the Bottlers Unmade an Ecological Majority** by William H. Rodgers
- ☐ **The Dairy Lobby Buys the Cream of Congress** by Frank Wright

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CORPORATE CRIME

- ☐ **How to Succeed in Business Without Really Bribing** by James Boyd
- ☐ **Corporate Crime** by Sarah Carey

"The basic fact of history in the last 10 years has been that there have been only two real super powers—Israel and North Vietnam. . . ."
Murray Kempton, from "The Trouble With Newspapers"

- ☐ **What's Good for the Country is Good for GM** by Philip Moore
- ☐ **Monopoly Without Real Money** by Charles E. Mueller
- ☐ **Nader Report: Agribusiness and Pesticides** by Harrison Wellford

SCREWING THE AVERAGE MAN

- ☐ **The Average Man on Wall Street** by Paul Dickson
- ☐ **The Average Man and Government Subsidies** Taylor Branch
- ☐ **The Screwing of the Average Taxpayer** by James Fallows

Articles You May Have Missed

"In any reasonably large government organization, there exists an elaborate system of information cut-offs, comparable to that by which city water systems shut off larger water main breaks by closing down first small feeder pipes, then larger and larger valves. The object is to prevent information, particularly of unpleasant character, from rising to the top of the agency where it may produce results unpleasant to the lower ranks. Thus, the executive at or near the top lives in constant danger of not knowing, until he reads it on page one some morning, that his department is hip-deep in disaster."
Russell Baker and Charles Peters, from "The Special Assistant"

THE CONGRESS

- ☐ **A Legislator's Day** by James Boyd
- ☐ **Jamie Whitten: The Permanent Secretary of Agriculture** by Nick Kotz
- ☐ **The Speaker's Man: Louis Deschler, House Parliamentarian** by Prentice Bowsher
- ☐ **The Conference Committee: Congress' Final Filter** Albert Gore
- ☐ **GAO: The One-Eyed Watchdog of Congress** by Richard Kaufman
- ☐ **H. R. Gross: The Conscience of Uncle Sucker** by Jacques Leslie

POLITICS AND THE PRESS

- ☐ **Ellsberg, Otepka, and the Newspapers** by Taylor Branch
- ☐ **Political Reporters and Presidential Politics** by David S. Broder
- ☐ **The Bigotry of Liberal Magazines** by Eunice Corfman
- ☐ **The Trouble With Newspapers** by Murray Kempton
- ☐ **Finding the Facts Bureaucrats Hide and**
- ☐ **The Stories Reporters Don't Write** by John Rothchild
- ☐ **How The Washington Post Pollutes** by Dirk van Loon

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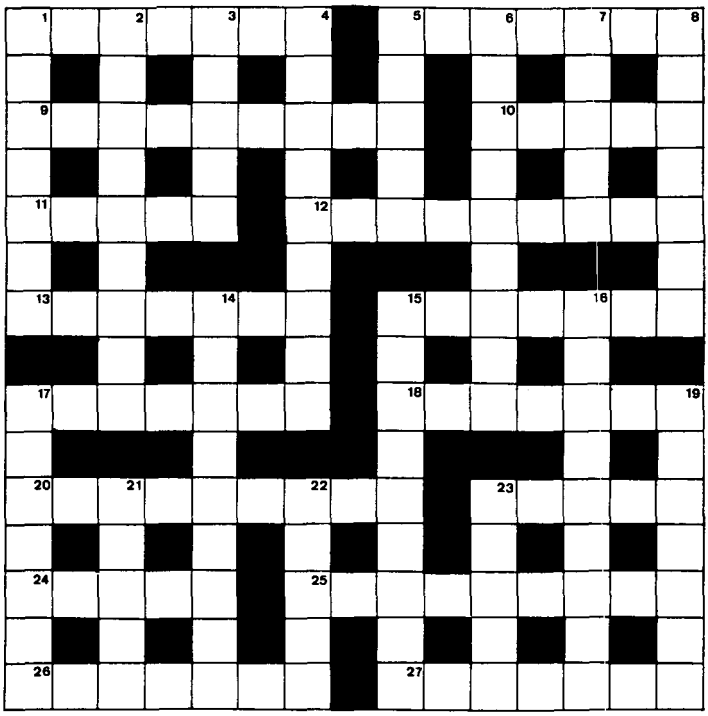
the political puzzle

by John Barclay



ACROSS

1. Heard sounds of Spring here. Mona did. (7)
5. With these, strong men get wish. (7)
9. In April, Parisians enjoy short emperor in pictures. (9)
10. Radio tells about nut back home. (5)
11. If young, male, and French, in dream our thoughts there turn. (5)
12. Long tale of railroad in the country. (9)
13. This realm's assets are time and sound. (7)
15. One of sisters fights back. (7)
17. Help on holidays? (7)
18. All Washington knows of Ted sect. (7)
20. Odd animal park in Michigan? (9)
23. Rivet eyes on Roman fountain. (5)
24. Pig sounds as if sin OK. (5)
25. Way to set right suit pleat. (9)
26. Pushes ahead on short main routes. (7)
27. Erred toward the end of yesterday. (7)

DOWN

1. Pale end of Kissinger trip. (7)
2. Toy is main cause of ill will. (9)
3. Route to Mongolia and space. (5)
4. Nixon dines more often to wield power. (9)
5. Sadder man crosses wires. (5)
6. Tin trains on the move. (2, 7)
7. This city is in more than oil business. (5)
8. River bed water sources? (7)
14. They get us excited about star's mail. (9)
15. Neither flowers nor brides are better Spring signs. (3, 6)
16. DOT head creates railway. (9)
17. Come through describes Wm. Peace Thackeray. (4, 3)
19. If you get it, you can spend it. (7)
21. It's hard to get him to enrol. (5)
22. In prizes, tsar's enthusiasms show. (5)
23. It's more likely in first part of return. (5)

The numbers indicate the number of letters and words, e.g., (2, 3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word. Answers to last month's puzzle are on page 48.

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The Watergate story: why Congress didn't investigate until after the election

by Marjorie Boyd

One of the untold stories of last year's presidential race was the behind-the-scenes narrative of Rep. Wright Patman's attempt to have his House Banking and Currency Committee probe the Watergate case in the closing weeks of the campaign. Not just a footnote to an electoral debacle, the story contains a few handy lessons on "How to Scuttle a Congressional Investigation" and provides an historical backdrop to Sam Ervin's current Senate probe of the Watergate affair and its many peculiar ramifications.

When Patman, that obstreperous 79-year-old Texas populist, announced last August that his committee was about to hold public hearings on the controversial break-in, partisan Democrats imagined that the closing weeks of the presidential campaign would be filled with daily banner headlines and nightly television news specials conveying the horrors of the Watergate break-in. The hearings raised the possibility that the Banking Committee could successfully subpoena documents and bank records, constructing a paper trail to the President's door before election day.

Perhaps the election was already decided by late August; perhaps nothing could have changed the outcome or even significantly reduced the size of Nixon's impending landslide. But a month earlier the Eagleton affair had shown the tremendous impact that one dramatic event can have on a presidential campaign in this media age, and few have shown greater sensitivity to the expanding role of the media in politics than the energetic Madison Avenue team in the White House. They grasped immediately the hearings' potential to create "negative image distortion"—the vision of a large bird-dropping falling through the air directly above the confident, statesmanlike countenance of their leader.

But an umbrella was quickly opened and disaster averted. When Patman called his committee together on October 3 to approve the subpoena power necessary for the hearings, a surprise awaited him. As expected, the 14 Republicans present voted unanimously to block the investigation, reaffirming the historic supremacy of party politics over public curiosity. But party politics broke down among the Democrats. Patman lost the votes of six of the Committee's 21 Democrats, and his request for subpoena power to conduct the hearings was defeated by a vote of 20 to 15. Any congressional attempt to probe the Watergate case was thus postponed until after the election.

What motivated the six Democrats

Marjorie Boyd is a Washington writer.

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to vote against what was clearly in their party's best interest? Did they rise above partisan politics, as they claim, or did they decide their personal or political interests were best served by sparing the Nixon campaign the agony of a public airing of its dirty political laundry?

Clark MacGregor, chairman of the Committee to Reelect the President, admitted that the Watergate case covered such a broad range of issues that "almost any committee of the Congress would have jurisdiction." Why, then, was Patman the only one who attempted to hold hearings before the election? What happened to all those ambitious members of Congress who normally vie for the limelight?

In part, this rare display of restraint reflects an unwritten bipartisan truce that has lasted nearly two generations. It is understood that campaign irregularities are not to be publicly investigated, even though many are illegal under the provisions of the Corrupt Practices Act of 1925. Even among politicians genuinely appalled by the implications of the break-in—that it might mark the beginning of an era when elections would be won by the political party with the most efficient espionage and sabotage operation—there seemed to be a reluctance to endorse an investigation that would take place in the four or five weeks directly before the election. It smacked of "partisanship" and was too "political," they said. It took someone as old-fashioned as Patman to take party politics seriously.

Hi, Maury, This is Dick

As chairman of the Banking and Currency Committee, Patman had the power to launch a preliminary staff investigation of the Watergate affair without consulting his committee. On August 30, 1972, three Banking Committee staff members interviewed Maurice Stans, finance chairman of the Committee to Reelect the President. During those hot and humid days of late summer, the beleaguered Stans was continuously accompanied by his lawyer, who objected to nearly all the questions posed by the press and various official investigators. When allowed to answer a question, Stans' professed ignorance of the finances of the Committee to Reelect the President was sharply at odds with his reputation as a highly efficient administrator. His interview on August 30 was equally unenlightening, brightened only when Stans was called away in the midst of the proceedings to answer a phone call from the President.

The next day, August 31, Republican Congressman Garry Brown, a Michigan cohort of Minority Leader Gerald Ford, came forward as the leader of anti-investigation forces within the Banking Committee. Protesting the Stans interview, Brown wrote a letter to Patman, saying he "was shocked and dismayed " to learn of the incident and charging that the Committee staff had no right to interview Stans. Whatever Brown hoped to accomplish by this attack, he succeeded only in hardening Patman's resolve to pursue the investigation, which had originally been suggested by Democratic Congressman Henry Reuss of Wisconsin. Patman fired back an angry reply to Brown and hounded the staff to step up the investigation. He scheduled a hearing for September 14, inviting Stans to testify voluntarily before the entire committee. On September 11, Stans' omnipresent attorney, Kenneth Parkinson, wrote Patman that he had advised his client not to appear at the hearing.

The next day, Patman blasted Stans' refusal to appear and released a confidential report to committee members on the staff's preliminary findings. The report detailed the travels of Republican campaign funds back and forth across the Mexican border and the expeditious granting of a bank charter to a Republican fund-raiser, whose $25,000 contribution had found its way into the Miami

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bank account of the Watergate burglars. Throughout September, though hobbled without subpoena power, the staff continued the effort to unravel the tangled financial dealings behind the Watergate affair. They had uncovered, for example, the basic outline of what later emerged as the "Vesco story"—where a businessman under investigation by the Securities and Exchange Commission invested a large cash contribution in the President's campaign. This would surely have been explored in the hearings, naturally falling within the purview of the Banking Committee.

In Bobby Baker's Footsteps

On September 29 the Nixon Administration formally intervened. Henry Petersen, Assistant Attorney General in charge of the Criminal Division of the Justice Department, wrote a letter to all Committee members asking them to postpone the hearings. The battle was on.

In every attempt to block an investigation into corruption, there must always be two strategies—one legalistic, for public consumption; the other clandestine, formed of grosser considerations.

The argument for public consumption was first voiced by Maurice Stans' lawyer in explaining why he refused to allow his client to appear for public questioning:

> Because of the pendency of the charges against those individuals who were arrested at the Watergate on June 17, 1972, the appearance of Mr. Stans before your committee, and the publicity attendant thereon, may impair the constitutional and civil rights of those individuals.

The Justice Department's own argument, set forth in Assistant Attorney General Petersen's letter, dovetailed carefully:

> The public interest in a prompt and successful prosecution may be imperiled by widely publicized hearings at this time. And the basic rights of the defendants to a speedy, fair, and impartial trial may be jeopardized. . . .

The Myth of the Middle Class

Notes on Affluence and Equality

Richard Parker

Foreword by

G. William Domhoff

A brilliant refutation of the widely held belief that America is a middle class society—moneyed, leisured, comfortable. Parker shows, in a dazzling array of arguments, how the distribution of power and wealth has divided the nation.

"I like Richard Parker's book very much . . . The facts it cites are disturbing, but they are true and need very much to be called to the attention of the public."—Robert L. Heilbroner

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There is nothing new in the argument itself; it was used, for instance, by Frank Costello and other racketeers in the fifties, and more recently by Jimmy Hoffa, Bobby Baker, Senator Thomas J. Dodd, and top General Electric executives indicted for price fixing. But Congress has always jealously guarded its right to investigate, and congressional parliamentarians can remember no case where a congressional investigation was abandoned in order to avoid jeopardizing a defendant's right to a fair trial.

Protecting the Cogs

Nevertheless, the Justice Department argued in its letter that a 1952 case, *Delaney v. United States*, was "a remarkably similar situation" and should persuade the Banking Committee to delay its investigation until the conclusion of the criminal trials. The unfortunate Delaney, an Internal Revenue collector removed from office and indicted for embezzling, was investigated by a House committee while under indictment, and the Court of Appeals found that adverse publicity from the hearings had interfered with his right to a fair trial. The court decided that Delaney was entitled to either a change of venue or a delay in trial sufficient to allow a jury to forget his bad press. The court's opinion stressed that congressional authority to investigate Delaney, even though he was under indictment, was unquestioned. Thus, *Delaney* actually gave no support to the Justice Department's conclusion that the Committee should delay its investigation.

Practically, the Delaney case was different from the Watergate affair. Delaney was an individual public official and all the malfeasances ascribed to him in the press necessarily reflected on him as a criminal defendant; the Watergate burglars were only small cogs in a wheel, and it should be possible to investigate the wheel's spokes and hub without heaping an excessive amount of unfavorable publicity upon these small cogs. After all, the criminal charges against the burglars were to be carefully limited, as the Justice Department well knew, to burglary, conspiracy, interception of communications, and unlawful possession of listening devices. None concerned the rest of the wheel or its relation to the cogs.

Nonetheless, the Patman staff gave every consideration to the Justice Department's argument. Jake Lewis of the Banking Committee staff recalls: "We checked the question out with several distinguished constitutional lawyers, and they all dismissed the Justice Department's objection."

When Congress comes upon a case where its right to investigate or the public's right to know does come into direct conflict with a defendant's right to a fair trial, Congress has power to grant the defendant immunity, thereby resolving the impasse.

New Members for the ACLU

Congressional critics of the Justice Department's Watergate doctrine point out that if Congress declines to investigate cases where one or more of the figures involved is under indictment, then lengthy delays in investigations can be obtained by any group of wrongdoers by simply arranging an indictment for a lower echelon member of the group. They point out that delayed investigations always work to the benefit of the wrongdoers, not just because election days pass, as in this case, but because of the increased risk that important evidence will be misplaced or destroyed, that memories will fade, that some witnesses will die while others move to Australia. Moreover, there is time to get stories straight, work out rationales, pay off witnesses, alter some documents and feed others into the paper shredder.

Congressman Patman said recently:

> Yes, I think the Senate investigation may encounter difficulties because of the delay. Almost every day we read in the newspaper

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that some piece of potential evidence has been destroyed or is mysteriously missing. The Committee to Reelect the President and the other campaign organizations have disbanded, and all the secretaries and lower-level office workers who may have important information have scattered. Also, if we had held the investigation before the election, you can be sure that no high campaign officials would have taken the Fifth Amendment or pleaded executive privilege. But this may be a real problem for the Senate investigators.

The unusual argument that generals must be spared so that foot-soldiers can be prosecuted was embraced by our six Democratic defectors and all 14 Republicans. They announced for the record that their opposition to congressional hearings before the completion of the criminal trials was based on concern for the civil liberties of the Watergate burglars. For the first time, a committee of Congress allowed the convenience of prosecutors and the fancied rights of criminal defendants to take precedence over its own right to investigate and the public's right to know.

Now, whenever most congressmen cite a devotion to civil liberties as a reason for anything—let alone quashing a controversial investigation—a host of anomalies and incongruities move into view. Most of our 20 civil libertarians had, for example, voted for the District of Columbia Omnibus Crime Bill of 1970 with its famed "no-knock" provision. And many were outspoken critics of the Supreme Court, charging that the Justices "protect the criminal at the expense of society." Congressman Bill Chappell of Florida had gone so far as to introduce a constitutional amendment providing for an elected Supreme Court. When I called Congressman Robert Stephens, a key Democratic "defector," six months later and asked if he considered himself a civil libertarian, he expressed horror at the thought. "They have a club down here," he said, referring to his home state of Georgia, "that has a bad connotation—a civil liberties club."

After the committee vote, when Patman was asked what he thought about the congressmen's argument that the Watergate burglars' rights should be protected at all costs, he smiled sweetly and answered, "I am not going to criticize newly found converts to the cause of civil liberties."

Thomas Nast, Where Are You Now?

And so it is not to the stated reasons, the ill-fitting legal camouflage, but to the unstated ones that we must turn for guidance. That the Republicans were not depending on legal principle to bring them through is demonstrated by the amount of organization and muscle they applied to the task. The House GOP high command joined the Justice Department in lobbying for votes to kill the investigation. Minority Leader Gerald Ford held a series of pep meetings with the Republicans on the Banking Committee, but explains they were only "to urge each member to be present for the vote." Throughout September, Ford's lieutenant on the committee, Garry Brown, was busily trying to keep the troops in line and win over the needed number of Democratic votes.

One need not dwell extensively on why the 14 Republicans voted against the investigation. A Watergate probe would affect the success of everyone running on the Republican ticket. Hope for a just share of the spoils, fear for their standing with the President's hard-nosed patronage distributors, party patriotism in the face of the spectre of McGovern—in short, all the normal political instincts—influenced them to act as congressmen have historically acted in such situations. On the day of the vote, all the Republicans met in the office of senior Republican committee member William Widnall, and then went on to the committee meeting en masse, a splendidly martial display of party discipline and a charming echo of the age of Penrose and Tammany.

But however unanimous, the Re-

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publicans were still a minority. To stop the investigation they needed at least four Democratic votes—they came up with six. The key convert was Congressman Robert Stephens of Georgia. Stephens is acknowledged leader of the Southern Democrats on the Committee and is leading tactician of the pro-bank forces on most issues. But on some issues, such as housing, which has its own lobby, he is more "liberal" and acts as courthouse lawyer for the Committee's Northern Democrats. Congressman Thomas Ashley of Ohio says, "We need Stephens along to get anything viable legislatively." When it comes to congressional wheeling and dealing, Stephens is right up there at the top of the class—a wily and resourceful Southern politician.

Rep. S. Cow (D.-Ga.)

Stephens' roots run deep. His family settled in Georgia before the Revolutionary War and his great-grand-uncle was Vice President of the Confederacy. The Congressman's interest in banking and currency seems to relate to his business holdings. Stephens is a large shareholder in the First National Bank of Athens, known locally as "Stephens' bank." He also owns considerable holdings in real estate, but has built his political career around a strikingly effective record of attracting federal funds to his hometown of Athens and the rest of his congressional district. A local newspaper editor calls the Congressman a "sacred cow" since he has "gotten the government to do so much for us." Other Athens residents describe their congressman the same way, praising him for "all the federal money he has brought in."

Stephens' efforts in the House have resulted in increased federal spending on Fort Gordon, a military base in Augusta, and the Navy Supply Officers' School in Athens. He also is credited with securing a $5.5-million Model Cities Program and a $10-million housing project for Athens, along with over $65 million for the University of Georgia. Since January, 1969, Democrat Stephens' success in procuring federal projects for his constituents has depended on the generous cooperation of the Nixon Administration, a situation Nixon's congressional liaisons fully appreciate.

Although it would be hard to prove any connection to the vote on the Watergate probe, the government has been exceedingly generous to Stephens' Georgia district in the last six months. Three days after the Committee vote, the director of the Athens Housing Authority announced that he had "worked out a solution" with the Department of Housing and Urban Development (HUD) to end an impasse in the construction of a $2-million, 11-story apartment building for the elderly in downtown Athens. Almost a year earlier Stephens had announced the project, only to discover that the lowest bid was $200,000 over HUD's construction limit. Months went by and the only tangible sign of the project that Stephens had so proudly announced was a red-white-and-blue HUD sign on a vacant lot opposite the Athens Public Library. But on October 6, HUD agreed to transfer $200,000 from another project, and the graders and bulldozers moved in; Stephens' local reputation as a powerful man in Washington was re-established.

Dirty Politics

Then there's the "sewer problem." For the past three years Stephens has introduced amendments to appropriations bills to increase the percentage of federal help for sewer projects in small municipalities like Athens. His 1971 legislation passed the House and Senate, but was vetoed by the President.

Stephens' interest in the sewer problem is more than abstract. Athens applied to several federal agencies for financing to build a system of sewers and treatment plants for the city and

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some land in adjoining Clark County. Last June 20, the Environmental Protection Agency (EPA) announced a grant to Athens for 35 per cent of the cost of their new sewers, but state or local funds for the remaining 65 per cent were not available. On December 22, approximately two-and-a-half months after the Watergate vote, EPA announced an "increase in an existing grant" to Athens, which would raise the federal participation to 75 per cent. It granted Athens $4.8 million immediately, with the understanding that another $2 to $3 million would be forthcoming in 1973.

Part of the new, federally-funded sewer complex is to be placed under a large tract of underdeveloped land on the outskirts of Athens—land which is expected to soar in value. Choice plots are owned by Stephens' friends and business associates. Eighty-one acres are owned by the Athens Development Corporation, headed by T. H. Milner, Jr., president of the First National Bank of Athens, the same bank in which Stephens is a major stockholder. Julian Bishop, mayor of Athens and a member of the bank's board of directors, is president of the Cedar Creek Development Corporation, which owns 52 acres of the parcel.

These new projects are not the only instances where Athens has benefited from federal largesse during a period of national cutbacks. For example, the government announced on January 30 that it plans to construct a $6.8-million federal office building in downtown Athens to house, among other things, the district office of Congressman Robert Stephens.

Stephens stoutly denies that he received any pressure on the Watergate vote from the Administration or Republicans in Congress. Asked about his vote to kill the Watergate probe, he said, "When you give a fellow a vote, you don't hesitate to take any proposition you may have to him, and you have a right to expect a hearing. It's always understood; it's not a thing you ever speak about." Stephens seemed far more concerned with denying that he would ever be gauche enough to specifically mention his Watergate vote to the White House, than with refuting the impression that he has a tacit understanding with the Nixon Administration.

The Invisible Man

In any event, at the showdown Committee meeting on October 3, Stephens not only was the first Democrat to announce his opposition to the investigation, but he ostentatiously delivered two other Democrats' votes, announcing that he was joined by noted civil libertarians Rep. Tom S. Gettys of South Carolina and Rep. Charles Griffin of Mississippi. Gettys is known on the Hill as "the invisible man" because he is so rarely seen and almost never speaks. Gettys owns bank stock and is remarkably consistent in supporting legislation favored by both bank and business interests. Griffin, also a bankers' advocate, had announced that he was retiring at the end of 1972 to take his ailing wife home to Mississippi. A source close to the Committee reported that Stephens talked Gettys and Griffin into voting against the investigation: "Gettys and Griffin admire Stephens and are accustomed to following his lead."

Stephens admits that he met with Gettys and Griffin in his office and they "voted" to go along with him. Garry Brown proudly admits that he talked with Stephens about the vote, but Stephens vigorously denies ever discussing the matter with him. During the Committee meeting, Stephens received a phone call from House Speaker Carl Albert, who made a special plea to him to support the investigation. But Stephens remained unmoved.

So only one more Democratic vote was needed for the Republicans to block the probe, and there were three prospects likely to be amenable to influence.

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As both secretary and a director of the Bank of Belleview, Florida, Democratic Congressman Bill Chappell has a record of support for the banking lobby. Chappell was facing a tough reelection battle against Daytona oral surgeon "Bud" Fleauchauss, who charged Chappell with conflict-of-interest and a do-nothing record.

Chappell therefore had to tread cautiously. He emphasized that he was not against an investigation of Watergate but was only interested in protecting the rights of the defendants awaiting trial. He said that while he could not support the investigation Patman proposed, he would be willing to go along with closed hearings without subpoena power, thereby keeping the investigation "properly within the bosom of the Committee."

Avoiding Swamp Fever

A week before the vote, Chappell had been over to the White House for a private talk with Nixon and had his picture taken with the President for use in the campaign. George McGovern was as popular as swamp fever in Chappell's district, so the pictures of the Democratic Congressman and the Republican President were quite helpful.

But Chappell had better reason for being grateful to Nixon than this. In 1969 one of the Congressman's secretaries, Patricia Renfroe, told the *Tampa Tribune* that Chappell had given her a $400-a-month raise and then two months later told her to give $594 of the pay to a Ms. Jeane McBurney and to keep the payment "secret." This is a serious matter—diverting the salary of a House employee is illegal. The Tampa paper turned its evidence, including a signed complaint by Ms. Renfroe, over to the Justice Department. The whole affair was severely embarrassing to Chappell; the people involved were residents of his district and local newspapers featured the story prominently. The Congressman claimed that Ms. McBurney had "written some speeches" for him, and while he admitted he made a "technical error," he denied any intentional wrongdoing. Chappell offered no explanation of why he had not put Ms. McBurney on his payroll if she had indeed written speeches for him. After a five-month investigation, the Justice Department quietly announced that "the facts do not warrant criminal prosecution."

Another Democrat for Nixon

Democratic Congressman Frank Brasco of Brooklyn, the only Democratic defector with a fairly consistent liberal record, made a particularly emotional speech on behalf of the rights of the Watergate defendants, at its climax shouting, "Politics has no place in justice."

Patman supporters at the committee table permitted themselves half smiles at Brasco's uncharacteristic theatrics. Perhaps they were remembering that Brasco, too, had reason to be grateful to the Nixon-Mitchell-Kleindienst Justice Department, as well as reason to fear their wrath. In 1971, Maryland U. S. Attorney George Beall sought to convene a grand jury to investigate charges made by a former post office official that Brasco had received a payment in return for using his influence as a member of the House Post Office and Civil Service Committee to obtain a lease for trucks from the Post Office for the ANR Leasing Company, alleged to be a Mafia-controlled firm. While Brasco denied receiving any money, he admitted that he had tried to help the company get the contract, but explained that it was simply a routine constituent request, and that he had no idea that the firm had criminal ties "until I read it in the newspaper." But even a cursory investigation reveals these last two claims are somewhat suspect. The ANR Leasing Company was located at 326 East 149th Street in the Bronx, well outside Brasco's Brooklyn district. And if anyone should have known that "Gentleman" John Masi-

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ello, president of ANR Leasing, was a member of the Vito Genovese family, it was Frank Brasco. Before coming to Congress, Brasco was assistant chief of the Rackets Bureau in the district attorney's office in Brooklyn. Nevertheless, the Justice Department decided that there was insufficient evidence to proceed against him and refused to let Beall turn the case over to a grand jury.

When Brasco and Chappell received their letters from the Criminal Division of the Justice Department asking them to vote against the Watergate investigation, may we not assume that the honorable gentlemen gave at least fleeting thought to the Department's past magnanimity, and to the possibility that its actions could still be reversed?

With Brasco and Chappell in the bag, the White House lobby had the Watergate vote wrapped up. But another Democrat would provide insurance.

A Congressman's Congressman

Congressman Richard Hanna's reasons for opposing the Watergate investigation remain a mystery. He told his hometown newspaper that he was angry at Patman over his failure to push a key housing bill through Congress—a less-than-compelling reason for being opposed to such an important hearing.

Hanna is a Southern California lawyer-businessman who started life as a poor boy and by 1968 could voluntarily read into the Congressional *Record* a statement setting his net worth at $392,821. In 1970, *The Los Angeles Times* assessed his net worth at $782,590, and when representatives of Ralph Nader's Congress Project asked Hanna how he had almost doubled his net worth in two years, while presumably occupied as a member of Congress, the Congressman explained: "It's just one of those fortunate things that happens to a lawyer. .... Being rich is one accusation I plead guilty to."

The Congressman is frequently absent from important House votes. Hanna has attracted quite a bit of attention recently because of his record-breaking number of junkets. Since 1967 he has visited, at taxpayers' expense, Japan, Korea, Taiwan, Hawaii, Thailand, the Philippines, Hong Kong, England, Norway, Germany, Peru, Argentina, Brazil, Malaysia, and France, some countries more than once. When his 1970 opponent accused Hanna of pursuing his private business interests on four separate 1968 government-financed trips to Asia, Hanna admitted that he had helped promote a California trade center represented by his law firm and said that he "would promote any project that would improve trade relations with Asia."

None of this, of course, explains Democrat Hanna's vote to suppress the investigation. It can only be said that he symbolized Congress' noted ambivalence toward matters of probity. An habitual absentee, an incorrigible junketeer, a chronic dabbler in outside business interests, a campaigner supported by a mare's nest of murkily disguised special-interest bankrollers, Hanna is the stuff of which those consistent congressional majorities against real ethics legislation are made.

Despite all the recent rhetoric about a Congress in revolt and the Nixon Administration's inability to handle congressional relations, the story of the "Watergate probe that wasn't" is an object lesson in effective use of presidential power. From the Senate's circumscribed handling of both the ITT case and the confirmation of Attorney General Richard Kleindienst to Patrick Gray's recent mention of the "hot files" he has on members of Congress, we have seen the "Nixon Treatment" at work. Gray's testimony may have shocked many and may turn out to be ineffective as blackmail, but if you doubt that many members of Congress are vulnerable to this kind of pressure, just ask Wright Patman. ■

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Decency and loyalty: Linwood Holton learns the President's views

by Frank Rich

Among the victims of White House-executed political fratricide during Richard Nixon's first term, perhaps none seemed less likely to get the Presidential shaft than Linwood Holton, Virginia's first Republican governor since Readjuster days in the 1880s. Unlike Walter Hickel or Charles Goodell, Holton was, is, and will probably always be a Nixon Republican's Nixon Republican. He had never trumpeted major misgivings with Nixon policy to the public (and generally maintains he has none). He has never played footsie with Administration-blacklisted liberals or their ideologies—and, indeed, unlike Nixon men ranging from Spiro Agnew to Henry Kissinger, he does not have even one fleeting flirtation with the aborted presidential campaigns of Nelson Rockefeller on his record.

Holton now stands stripped of his political power and possibly his political future in his home state. Not only did he miscalculate White House willingness to play politics with civil rights enforcement, but he underestimated the extent of the Administration's reaction to deviationism. The Nixon whose policies and character Holton lauds to this day is a man who stabbed the Governor in the back by helping his life-long political enemies, some of them Democrats, take over Virginia's Republican Party during the past two years.

This extreme reaction reveals, above all, the importance of Nixon's desire to dissociate himself from integration. The tale also shows how vicious the White House inner circle can be in retaliation against even an old, incredibly loyal cohort.

What Holton did to invoke the Presidential wrath goes back to the summer of 1970, when a number of Virginia cities had been ordered by a federal court to use busing to eliminate school segregation. In Richmond, the Old Confederacy's capital, one third of the 50,000 students enrolled in public schools were affected, and opposition to the decision raged. The federal judge, Robert R. Merhige, Jr., and his family were threatened with violence; local politicians gathered signatures on fierce petitions; and the KKK came out of the woodwork and rallied to the cause.

While Holton repeatedly aped the Nixon line of opposition to forced

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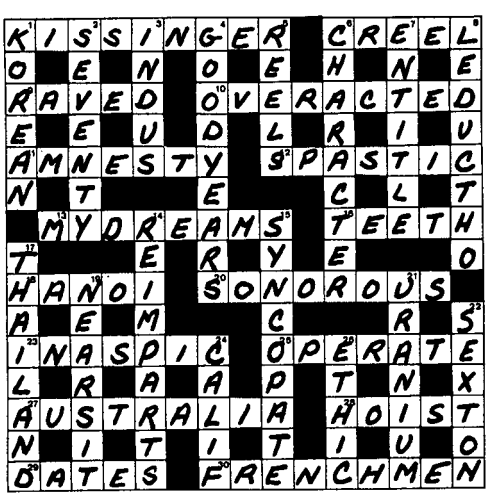
busing throughout that long hot summer, he refused to bring the state into the case at the lower court level. Holton had the option of sending his own three school-age children to any public schools he wished since the Governor's Mansion is technically state and not city territory. But on the first day of school, Holton and his wife Jinx escorted their children to the schools they would have attended if the Governor's family didn't have that freedom of choice. Schools in the neighborhood of the state Capitol average enrollments that are three-quarters black. There was little precedent for the Governor's deed in the history of Virginia—birthplace of "massive resistance" to school integration during the fifties. In a real way, Holton's act symbolically closed one era for the Old Dominion and opened another.

Although much of the local press condemned Holton, many of the nation's major newspapers and news magazines went wild with enthusiasm. The Governor explained to reporters matter-of-factly that he was, after all, just a conservative Republican obeying a court decision he was powerless to counteract. "It's always hard for a child to change schools," Holton said at the time. "They don't want to leave old friends. But my children go where they are assigned." The next day, a *Washington Post* editorial explained, "The importance of [his] action, in its impact both in Virginia and throughout the South, is hard to overstate." Richmond's schools integrated with only scattered and trivial racial incidents.

Answers to March puzzle:



The Good Soldier

Holton's identification with Nixon is so intense that it is doubtful that he saw his actions of that August morning as the start of a drama of retribution. Until then his relationship with the President had been just fine; Holton was always the good soldier. His association with Nixon ran back to 1965, when the then political has-been came down from New York to campaign for Holton during his first, unsuccessful, race for governor. A year later Holton took time off from his Roanoke law practice to serve as one of the five original members of the Peter Flanigan-Maurice Stans committee formed to organize Nixon's political comeback. This gesture prompted David Broder and Stephen Hess to write in *The Republican Establishment*: "Holton is another example of Nixon's theory that losers are more grateful for campaign help than winners." At the GOP national convention in 1968, Holton played a major supporting role in helping Strom Thurmond keep Southern delegates out of the clutches of Ronald Reagan. During the election campaign itself, Holton served as regional manager for four Southern states, all of which went for Nixon-Agnew in November.

Shortly after Nixon's inauguration, Holton, facing his second gubernatorial campaign, visited the President he had helped elect. After the meeting he told reporters: "I'm wrapped up in Nixon. I couldn't get away from that even if something turned bad. So I'm going to push the Nixon association as hard as I can. I'm proud of my association with him, and I think he's going to make me Virginia's first

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Republican governor."

Nixon did pull into Roanoke during the last week of the campaign that November, and with his vocal endorsement a potent factor, voters gave Holton his long-sought victory. It was only eight months later that the Governor took his children to school and the Nixon Administration started to usher him into oblivion.

The Big Mistake

The week that Holton took office in January, 1970, John Osborne wrote in *The New Republic* that the basic Nixon-Mitchell doctrine on civil rights enforcement, succinctly put, was "that as a matter both of political wisdom and of constitutional propriety, the courts rather than the executive branch of the federal government should bear the burden and onus of enforcing racial integration of public schools in the South." It was a doctrine that no Virginian with political aspirations could quarrel with—and certainly Linwood Holton, with his conservative disdain for government bureaucracy, agreed with the philosophy and politics of the strategy.

But Holton presumed that even as this conservative retrogression from activist Johnson Administration policy was carried out, Republican politicians could still strike a conciliatory tone as they all the while respectfully aired their criticisms of busing and the courts. So, in his inaugural address, Holton set forth his own version of "Bring Us Together." "As Virginia has been a model for so much else in America in the past," he said, "let us now endeavor to make today's Virginia a model in race relations. Let us, as Lincoln said, insist upon an open society 'with malice towards none; charity for all.' "

There was no public grumbling about this statement, and Holton went on to move Virginia—for years held back by the reactionary and racist Byrd machine—into the 20th century. His first act as governor was to ban discrimination in state hiring practices, and soon he was appointing blacks to important posts.

Busing, though, was something else. "It's important to recognize," says Holton, "that all the flak I got came not from a speech saying we'd make Virginia a model of race relations or from my appointments or from the order ending job discrimination. It was when I refused to have the state intervene in the district court proceedings. I said integration is working and my conviction is still that it was right—and Virginians now more and more see that. Just recently a Washington official came down to see the schools here and said, 'Lin, I don't believe that this can be done anywhere else in the country.' I told him, you should have been here and heard what people were saying in September, 1970."

Wrong Side of the White House

What some people were saying then—and might say again if the Supreme Court upholds a later Merhige decision that would consolidate Richmond's schools with those of its white suburbs—was not kind. Typical of the feeling that the Governor aroused among some old-line Virginia politicians is a jocular statement made by a free-wheeling Richmond city councilman a year ago. "This gutless, spineless, no good governor," said Howard Carwile, "has traveled across the land degrading our cause. . . . Sometimes when I think of that man I think of euthanasia at the same time."

Since Holton did not endorse busing any more than Nixon did, the contrast between their approaches to the issue had more to do with tone than substance—differences of "shading and emphasis," as Holton puts it. If the Governor made any political point at all by taking his children to school, it was perhaps that desegregation in the South can often mean a child going to a neighborhood school and not one 15 miles away. But 1970 was an election year, and

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Holton had given the appearance of being on the "wrong" side as far as the White House was concerned: by speaking in calm tones rather than divisive ones, Holton had played his big scene wrong. Thanks to a ready-made political situation in the state that year, Nixon had the cards to isolate and humiliate the Governor.

Earlier in 1970, Senator Harry Byrd, at odds with the Democratic Party and up for reelection, announced he would run as an Independent. The Democrats nominated liberal George Rawlings, who won an upset primary victory in 1966 over Byrd stalwart Howard Smith, then-chairman of the House Rules Committee. Believing Virginians might want a choice less extreme than A or Z, and encouraged by his own decisive victory, Holton decided his Party should fill the gap, and elect Virginia's first Republican Senator.

Richard Nixon did not want any part of it. Smarting from close defeats on Haynsworth, Carswell, and ABM, he wanted to keep Byrd in the Senate, no matter what his party affiliation. Nor did he want to do anything that might alienate Byrd-lovers—who might, after all, be choosing between Nixon and Wallace again in two years. White House henchman Harry Dent and his former boss, Strom Thurmond, began to push and prod Virginia's Republicans to endorse Byrd.

The idea was anathema to Holton, whose whole career had been dedicated to achieving two-party politics in Virgina and was now convinced that Republicans had a good chance of winning the seat in the fall.

The Fire Engine Crashes

On the eve of the June party convention in Richmond, pressure grew. Thurmond publicly attacked Holton's desire to nominate a candidate, and Dent showed up to lobby among the delegates. It all looked grim for the Governor's grand plan, until he made his now-famous "fire-engine" speech, an address he recalls with pleasure. Pleading with the delegates, he said, "You are the biggest and the best, the longest and the strongest. You can't go home having done nothing. . . . " He said that failing to nominate a Republican candidate after his great victory the year before would be "just like having the biggest, newest, shiniest fire truck and not taking it to the fire."

The convention went on to nominate Ray Garland, a personable but obscure General Assembly member from Roanoke. Syndicated columnists focused in on the race, for it seemed to be some kind of a test of the future of Southern Republicanism, although it was unclear exactly what the results might mean. "It is an odd fact," wrote Joseph Alsop in July, "but it is still a fact that President Nixon regards his own party's doings in Virginia as just about the worst political news he has heard all year." "The Virginia race," the Ripon Society said, "was a real litmus test for Republicanism in the South. . . . [Republicans who vote for Byrd] are not loyal Republicans, but hard-core right-wingers."

Then in August, Holton took his kids to school. Rather than back up the Governor and indirectly support his Senate candidate, the President let him sink once and for all.

Holton had not only gambled incorrectly that his friend in the White House would support his calm way of handling the Administration's anti-busing policy, but he had gambled wrong on the people. J. Harvie Wilkinson, III, now a law clerk to Supreme Court Justice Lewis Powell, but then a GOP congressional candidate in Richmond, saw it this way: "Intervention and non-intervention in the courts was not central to the public perception of the busing issue. What the public perceived was a cheerful acceptance of the order—Holton merrily sending his kids off to school."

Both Garland and Holton emphasized their philosophical opposition to busing right down to the end. "But

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what Holton didn't do was demagogue the issue," says Garland. "If he had done that he could have been a greater political hero than Harry Byrd, he could have beaten Byrd. But he didn't throw down the gauntlet, and the irony was that a federal judge named under a Democratic administration, with support from Byrd and his establishment, made the order and Holton got hung for it politically."

And so, the Governor's fire truck smashed into a tree. The returns showed 51 per cent for Byrd, 34 for Rawlings, and a meager 15 for Ray Garland, the "litmus test" of a new Southern Republicanism.

Still Faithful

When the dust cleared, Holton conceded he had been "clobbered" and credited the defeat to the magic of the Byrd family name. The Governor was not going to end his love affair with the Nixon Administration, nor would he turn the Party over to Byrd Democrats and their Republican sympathizers who saw themselves vindicated by Garland's defeat and Nixon's approval of Byrd.

Holton pursued a legislative path more or less pre-ordained by his predecessor, Byrd Democrat Mills Godwin, but he was able to use executive orders, public statements, and patronage powers to effect somewhat controversial changes in state policy. Holton beefed up anti-pollution agencies with environmentalist appointees, exceeded his own goals for minority hiring, and refused to take a law-and-order line on student anti-war demonstrators.

He never indicated any resentment of the national Republican Administration that had pulled the rug out from under him. That December the President, with Dent's aid, set up his first post-election meeting with a top Virginia leader—former Governor Mills Godwin, a Democrat, the man who defeated Holton back in 1965. According to one observer, presidential adviser H. R. Haldeman "didn't like Holton. He hadn't been dependable, hadn't taken the party line—and a lack of allegiance is the highest crime in the Nixon Administration."

The odd thing about it all was the fact that, in most ways, Holton ran a state administration that emulated the national one in every way possible. "Holton doesn't want to change the fundamental fabric of society, doesn't trust the federal bureaucracy or the welfare state," says Ray Garland, "but on the local level Holton can be effective on nuts and bolts: schools, mental health, prisons. There's no conflict there. The main thing that brought Holton down was racism. After 350 years of history, he said no to racism in the Governor's office of Virginia."

Lawrence Douglas Wilder, Richmond's black Democratic state senator, says that although "criticism of the Governor won't be brooked in the black community for the most part," Holton's departures from the past "were not all that radical. Whatever Holton will do, he will always be a Republican. He recognizes that blacks are human beings and are equal to the task of performance, but I'd like to see more black people in positions that can meaningfully affect their lives and less window dressing. . . . He indicated he would appoint a black judge—a very powerful position here—and he has had the opportunities and not done that. I think all the right-wing criticism has slowed his zeal on civil rights."

Nearly all the time Holton does exactly what is expected of him according to Nixon orthodoxy. Like the President, he has spent a lot of time tinkering with executive branch bureaucracy, consolidating agencies and creating new super-administrative posts. Last year, for instance, he created six cabinet-level posts, which he trumpeted in an avalanche of public relations not unreminiscent of Nixon's televised presentation of his "extra dimension" cabinet following the 1968 election. The new cabinet secretaries have yet to find such a

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clear role in state government.

While compatible with Nixon in every other way, when it came to racial issues, he set himself up for another White House brush-off. In 1971 he took a visible step away from Nixon when he "respectfully disagreed" with the President's proposal that Congress prohibit the use of federal funds for busing; logic told him that such action would reduce the states to pawns in the battle between the Executive and the courts. When interviewed on *Meet the Press*, Holton carefully called his differences with the White House minor, claiming the President received misinformation. "I'm closer to it," Holton said. "I've seen it work. The children get along beautifully. . . . People at the presidential level and others in the White House haven't seen it working. We have found that we can adapt to it."

Nausea Averted

Schools opened in Virginia in 1971 with even fewer incidents than the year before. Roy Wilkins, who two years earlier had called a Mitchell-Finch statement suggesting the possibility of delay in Mississippi school desegregation "breaking the law" and "almost enough to make you vomit," came to the Virginia NAACP conference and labeled Holton "one of the most promising governors Virginia has produced." In October, 1971, amid speculation that he would replace Agnew on the ticket in '72, Holton boldly told the Chicago *Daily News* "I just don't think [Agnew's] is the sort of philosophy on which the Republican Party can move forward in my area."

Holton and the Republicans had a second chance that November. Virginia's liberal Democratic Lieutenant Governor, J. Sergeant Reynolds, had died and a special election was called; the Democrats nominated a moderate, and liberal Henry Howell was running as an Independent. At the Republican convention, the pro-Byrd forces from the year before, led by men like Congressman Joel T. Broyhill, pushed for the nomination of a conservative. Holton pressed for and got his own candidate, George Shafran, more moderate but still an avowed busing foe. Shafran ran a miserable third, splitting the conservative vote and giving the victory to Howell. A Richmond editorial writer commented: "On the basis of Republican showings in the two most recent statewide elections, the electorate obviously nourishes serious doubts about the leadership of the governor. If he were to run for office today, it is doubtful that Mr. Holton could be elected state dogcatcher. . . . "

The Governor's influence, already seriously emasculated, continued to decline within the Party. His defeats might not have been so disastrous if Nixon had stood behind him, risking short-term defeat for future GOP gains in a rapidly changing South. Or if Nixon had supported Holton merely out of loyalty or because it was the right thing to do. But as anyone not "wrapped up" in the President would know, Nixon seemed more interested in milking the passions of the moment for immediate, tangible political dividends—the Southern Strategy. Holton's fatal flaw was not so much that he misjudged the dynamics of two elections as that he actually believed that Nixon wanted the New Republican South to be something other than the Wallace South renamed.

After Holton's second defeat, Nixon once again used the White House invitation: While the Governor visited Israel in March, 1972, a dozen Richmonders—Old Republicans, New Republicans, Democrats, and Independents—visited the President to air their gripes about Holton. Resentments ran deep, and Republican complaints went well beyond busing and recent election embarrassments.

The same month the anti-Holton forces had their meeting with Nixon, the Governor took a hard line on a proposed constitutional amendment on busing. "It would be tragic," he

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said, "and would take this nation back from a position it has finally reached of recognizing that black people are citizens of this country and are entitled, without having to fight for their rights, to all of their rights."

Holton opposed the General Assembly's joint resolution urging Congress to pass an anti-busing amendment, but called the new statewide open-housing legislation "probably the best [law] that's passed since the Civil War." Although full of loopholes, this was the first open-housing law in the Old Confederacy—but while Holton twisted a few Republican arms for votes, the bill had not been part of his legislative package.

Perils of Foreign Travel

While Holton was visiting Japan in May he missed out on another White House political meeting—this one between Mills Godwin, now a converted "Democrat for Nixon," and John Mitchell. Three heads of the national Republican campaign effort in Virginia for 1972 were announced, after no visible consultation with the Governor. The triumvirate included a Byrd Democrat, a conservative Republican, and a Holton Republican. The Governor would campaign for Nixon again, but only outside of Virginia.

The next month it was all officially over. The Party's state chairman, Warren French, a Holton man, was challenged by conservative Raymond Obenshain for the party leadership and lost by a whopping three-to-one margin among the delegates. The Governor, sensing the inevitable, played tennis during the balloting.

Since then, Holton, who cannot succeed himself, has continued to suffer embarrassments during the final, lame-duck year of his term. In 1972 Republicans nominated William Scott, a Northern Virginia congressman with views frequently described as Neanderthal, to run for the Senate against moderate incumbent Democrat William Spong. Scott, with big, right-wing money behind him, won handily—the only major Republican Senate upset of 1972.

Holton reportedly had little affection for Scott but served as a party loyalist in the campaign, appearing with Nixon and the Senate nominee in a "unity" rally a week before the election. It is doubtful that Holton guessed too much in advance that Scott would become the state's first GOP senator in modern times; most political observers didn't see the upset coming. It was a cruel vindication of Holton's faith in Virginia Republicanism. According to Ray Garland:

> The character of the Republican Party is very definitely changing—just about 180 degrees from what we were all the years of this century until this past year. . . . We were essentially an anti-establishment party and had no power except in the Ninth District [in the mountainous West]. Ten years ago a Republican in the House of Delegates would be treated with almost no consideration and would get no meaningful committee assignments. The anti-establishment image we developed was what to a large extent elected Holton. Now that we are worth something, we've been taken over. I see parties switching roles in five years, with the Byrd Democrats and financial establishment calling the tune in the Republican Party.
>
> The Party has always had this difficulty, always been a Janus looking in two directions at once: conservative on the national level, sending conservatives to Congress, but progressive on the state level. This dichotomy will be over soon.

Very soon. This June the Virginia GOP intends to either endorse or nominate for governor none other than Mills Godwin, the one-time "massive resistance" demagogue who defeated Holton in 1965. Along with Obenshain and most of Virginia's GOP congressional delegates, Holton is doing his bit to welcome the ex-governor into the Party, although he says his endorsement is contingent on an outright switch by Godwin to the Republican Party. (The majority of Republicans, though, couldn't care less and will give Godwin the nod to oppose Henry Howell whether he meets the Governor's idealistic terms

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or not.)

If Godwin wins, Holton will undoubtedly take up a role as the Party's most prominent eunuch, to be trotted out for fund-raisers, dinners, and other GOP pep rallies. In public, at least, Holton insists he still has some clout. "You can cover all shades of ideology, from what the press calls moderate to conservative—and even liberal. The Party is a broad umbrella. There's clearly room for everyone and a very happy majority. Dick Obenshain and I are very compatible... there are no fundamental disagreements between us, just differences in emphasis." But it seems rather unlikely that an Obenshain-run GOP is going to give another chance to the man whom the President so unceremoniously dumped in 1970. As one Democratic politician says, "The GOP is finished with Holton. Obenshain is saying to him, you be governor because you were elected—but from now on we're running the show. The Republican Party in Virginia now is as bad in outlook as the Byrd machine ever was; and, after all, even the Governor must know that if there were an election tomorrow, he'd have an awfully difficult time."

The simple fact is that many of Holton's greatest admirers now, outside of liberal Republicans from the mountains and Northern Virginians, are the Democratic Party's liberal/Howell wing. One major state politician of this stripe, who asked to remain anonymous, says, "I think he's been a good governor.... There's nothing basic he's done I disagreed with."

As things stand now, about the only hope for Linwood Holton is a Godwin defeat this November; that might abort the official marriage of Byrd Democrats and Obenshain-conservative Republicans and keep the Virginia GOP fluid for a while to come. If this happens—and if it happens in conjunction with a post-Nixon national GOP move in the direction of a Percy rather than an Agnew—Holton might be able to run as a Republican against Harry Byrd for the Senate in 1976. But this seems unlikely. Far more probable is the chance that Harry Byrd may be running for reelection in 1976 as a Nixon Republican.

This leaves Linwood Holton somewhere in the general vicinity of nowhere.

But you'd never know it: Nixon can still count on the governor of Virginia for such favors as his March appearance before the Senate Government Operations Committee, in which Holton contended that the new Federalism of revenue sharing would more than make up for Nixon's drastic budget cuts on domestic anti-poverty programs, like the Office of Economic Opportunity. Holton, almost unique among the nation's governors, plugged the Nixon argument that the slashing of such programs was really aimed at cutting off bureaucrats rather than the poor—although surely Holton knows that a successful project like OEO's Legal Services program already fulfills that conservative role by helping the poor break through the red tape of federal bureaucracy.

Even Holton's greatest admirers, able to forgive nearly anything else, chafe at his support of Godwin as his successor. One black leader says, "There's no way that Linwood Holton, who made that inaugural address in 1970 and spoke of new, broad vistas for Virginia, can believe that Mills Godwin can be any part in leading Virginia down that path."

Such Holton performances add fuel to the speculation that the Governor, who talks often of moving into public-interest law when he leaves office, is actually doing his best to assure himself a fat Nixon Administration appointment of a non-controversial nature (like an ambassadorship) come next January. It's not much of a prize, but if Linwood Holton has learned anything from his association with the President through the years, it's that he'd better take what he can get. ■

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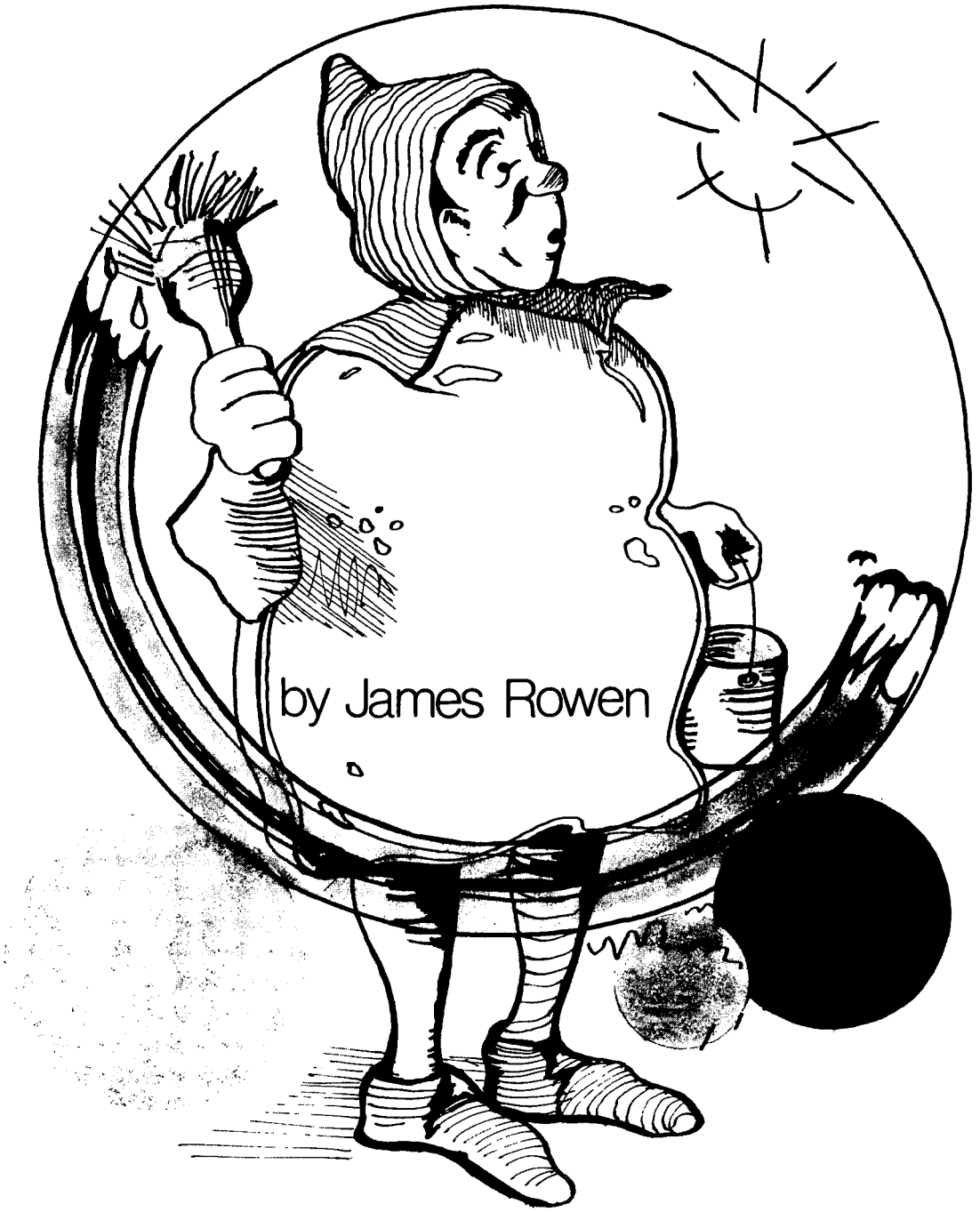
How to keep them buying even though they know you're lying



by James Rowen

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Wonder asks how big you want to be. Big enough to sink a basket. Bigger than George. He's my dog. . . . How can you help? By serving nutritious Wonder Bread.

Wonder Bread, with its balloon-dotted wrapper and pasty-white complexion, was an integral part of any 1950s childhood. As familiar and ubiquitous as the "snap, crackle, and pop" of Kellogg's Rice Krispies was Wonder Bread's promise to "build strong bodies 12 ways." While many companies changed ad campaigns during these years as frequently as losing baseball teams changed managers, Wonder Bread commercials were one of the few stable things in the turbulent generation from 1950 to 1970.

Whether the commercials were aimed at young mothers worried about balanced diets or at children themselves, the message was the same—Wonder Bread is nutritious. For 20 years Americans heard the same slogans whether they turned on the television, tuned in the car radio, or leafed through *Life*. Piels Beer may have won advertising awards, but Wonder Bread made its point. Children's television was permeated with hidden commercials like this pseudo-conversation between Captain Kangaroo and his sidekick, Mr. Moose:

Captain Kangaroo: Mr. Moose, I have an interesting question for you. If you could be as big as you wanted to be. . . how big would you want to be?

Mr. Moose: Gee. . . as big. . . as big. . . I know! As big as a tree! Then I could see *everything* around me for miles and miles.

Captain Kangaroo: Wouldn't that be fun, Mr. Moose!

Mr. Moose: Yes! Do you think eating Wonder Bread would get me that big?

Captain Kangaroo: Well. . . not *quite* as big as a tree. . . But Wonder Bread *does* help boys and girls grow up big and strong, and give them energy for work and play. Each slice of Wonder is baked with vitamins and other good things that help you grow.

Few during the innocent days of the Eisenhower Administration would have ever imagined that familiar commercials like these would someday be attacked and Wonder Bread charged with using advertising containing false nutritional claims. But on April 24, 1971, the Federal Trade Commission's (FTC) legal staff charged the Continental Baking Company, the makers of Wonder Bread, with deception not only in promoting Wonder Bread, but also in marketing its "Hostess" line of snack cakes, like Twinkies and Devil's Food Cakes.

"The Wonder Bread Case" became a corporate cause celebre. Wonder Bread, America's best-selling white bread, is big business: in 1971 the company sold 600 million loaves, which cost the consumer $177 million. That white bread could be turned to profits was emphasized in 1968 when conglomerate International Telephone and Telegraph took the Continental Baking Company under its broad corporate umbrella.

ITT, which also owns Profile bread, knew the dangers of "corrective advertising," the goal of the FTC suit. Sales plummeted when the FTC forced Profile, which had masqueraded as a diet bread, to run commercials admitting that it differed from its competitors only in the thinness of its slices. Perhaps sensing the legal action, Wonder Bread decided to abandon 20 years of the familiar advertising. In 1970, it unveiled an entirely new advertising campaign stressing the freshness and softness of the product. Instead of showing pictures of children zooming to "90 per cent of their adult height,"

James Rowen is a Washington writer.

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the new "Fresh Guys" series of bread commercials features two animated loaves sitting on a supermarket shelf, boasting about their freshness. Now Wonder Bread and Charmin toilet paper share the dubious distinction of being the only products in America marketed on the basis of their squeezability.

FTC cases are drawn up by the Commission's legal staff and are heard by an administrative law judge whose decisions can be appealed to the full Federal Trade Commission. Last December, 18 months after the FTC lawyers first brought charges, Judge Raymond J. Lynch handed down a decision which completely dismissed the complaint against the baking company and Ted Bates and Co., the advertising agency which handled the account. After absolving the defendants, Lynch went on to chastise the FTC complaint counsel for relying on "opinion witnesses" who stepped "upon the springboard of imagination and... into the realm of conjecture."

The Judge's ruling is currently on appeal to the full Federal Trade Commission by the FTC legal staff, and such groups as the Consumers Union and the Federation of Homemakers have attempted to join the suit. The decision deals with far more than bread and cupcakes. Anyone willing to sift through six volumes of testimony is given a magical mystery tour through the strange realm of corporate advertising and the even more bizarre world of FTC deceptive advertising standards.

Each slice of Wonder Bread during the "Wonder Years" gives children protein for muscle, minerals for strong bones, carbohydrates for energy, vitamins for nerves... all the vital elements for growing minds and bodies. Helps build strong bodies 12 ways:

—advertisement placed in national magazines

A host of recent news stories, from Dita Beard's memos to plans to overthrow Chile's President Allende, show that one thing ITT doesn't lack is a vivid imagination. But even the most jaded observer of the conglomerate's far-flung operations could not help being impressed by the daring and inventiveness of the ITT defense in the Wonder Bread case.

ITT Continental Baking admitted under oath that it had always intended to make "a unique selling point" of its claim that Wonder Bread has nutritional value. In FTC jargon, a unique selling point is one which is sufficient to convince the audience that a product has a monopoly on whatever special quality is stressed in the advertisements. The FTC lawyers pointed out early in the proceedings that no brand of white bread is unique—since all are baked according to the Food and Drug Administration's precise standards for defining "white bread."

Rather than challenging these findings, ITT offered an astonishing defense—the Wonder Bread commercials weren't actually false or misleading because no one believed them. To add the proper note of bathos to this reasoning, ITT Continental Baking staged a heartrending public confession. It had all been a mistake, it told the judge; the 20 years of nutritional advertising was the biggest marketing blunder since the Edsel. Not mentioned were the continuing profits which made Wonder Bread so attractive an acquisition for ITT.

What Wonder Bread said was, in effect, "So what if our advertising was blatantly false, no one believed it anyway." To back this up, ITT presented a survey taken in seven major urban areas, which showed that less than one per cent of the 500 bread-buyers polled considered nutrition a reason for choosing a particular brand of white bread.

If statistics were not enough, the makers of Wonder Bread also produced a cooperative psychologist who stated flatly that despite 20 years of saturation advertising, consumers did not perceive Wonder Bread to be uniquely nutritious. Judge Lynch was

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so impressed by the psychologist's testimony that he stressed the expert's conclusions in delivering his ruling on the case:

> It was his opinion that this advertising did not represent, *and would not be understood by consumers to suggest, that Wonder Bread is an outstanding source of nutrients distinct from other enriched breads or that Wonder Bread is a uniquely nutritious bread.*

This evidence was apparently enough to convince Judge Lynch that the ubiquitous Wonder Bread ads had all been an expensive flop. But the very success of this argument could be expected to raise questions in the minds of ITT stockholders, who might well ask why the company spent 20 years throwing its money away. The only way out for ITT's executives was to be sure that the right people kept looking at the right arguments: let the judge see the nutrition-is-a-hoax polls, and keep the shareholders' eyes glued to the sales charts.

Randal W. Hackett, ITT Continental Baking's vice president for marketing and advertising, had the difficult task of explaining Wonder Bread's advertising strategy to Judge Lynch without cracking a smile. According to Hackett, when ITT took over Continental Baking in 1968, it found that the nation's largest bread-maker was totally unaware of modern advertising techniques. Hackett found the person in charge "was an elderly man who didn't particularly believe in market research." The ITT executive, on the other hand, was a marketing professional—five years with Colgate-Palmolive and four with the noted Gray advertising agency. He solemnly admitted that Wonder Bread's children's advertising was as ineffective as the nutritional campaign.

A marketing survey conducted by ITT in 1968, after Continental's advertising director was pensioned off, showed that children have minimal influence on family bread-buying habits. Although children control nearly 90 per cent of all cereal purchases, less than one per cent of all bread-buying is determined by the lunch-box set. Hackett called the children's commercials, which accounted for half of Wonder Bread's television budget until 1968, a "tragedy." The tragedy was not the distortion of children's ideas of nutrition, but that "basically half the [advertising] impressions were being wasted." In September, 1970, he put an end to the line of commercials which had included such gems as one broadcast on Chicago's *Bozo Circus*:

> Say, how many of you would like to grow up to be big as an elephant? That's pretty big, isn't it? And, of course, no one *really* wants to be quite that big. . . . You need to eat the right kinds of food. Yes. . . foods that are good for you, like Wonder Bread.

ITT's lawyers made several other enlightening points about children's reactions to advertising. The FTC attorneys claimed that Wonder Bread ads that employed trick photography to show a youngster zooming "to 90 per cent of his adult height" within seconds were a possibly unhealthy appeal to youthful fantasies. In response, ITT produced child psychologists to testify that while the growth sequence might reinforce a child's concept of "magical thought," this gullible characteristic disappears after the age of two.

According to ITT witnesses, older children are even less susceptible to the blandishments of television hucksters, and even six-year-olds recognize the growth sequence as nothing more than a "television trick." Statistical evidence supporting the conclusion that children are so blasé about commercials that nothing can mold their little minds was provided by Scott Ward, a Harvard professor of business administration. Ward said that far from living in a bubblegum world of blissful ignorance, eight-year-olds have a "clear, consistent, and I think very widespread reaction. . . that what is shown on commercials must be taken with a grain of salt."

Judging from Ward's testimony, "caveat emptor" might be inscribed

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on the walls of America's nurseries. Fully 73 per cent of the children sampled between the ages of 9 and 11 "suspected the motives" of television advertisers. After viewing a number of commercials, children made such comments as "they just want to make money" and "they just want you to buy their product."

The record does not establish the degree, if any, to which past Wonder Bread advertising induced past sales, or may induce future sales.
—FTC Judge Raymond J. Lynch

An overly literal reading of the Wonder Bread transcript may lead to the conclusion that advertising is the greatest hoax ever perpetrated on the American business community. If there was a leitmotif to the hearing it was "flagellate Madison Avenue." The tone was set when Dr. Richard Walsh of Colorado State University, described as "probably the nation's leading economic expert on the bread industry," trotted out the old aphorism that "90 per cent of advertising is waste."

Although Judge Lynch was apparently taken in by this line of reasoning, the reader may sense that something is amiss here. If advertising is really as ineffective as ITT claimed, then how could the company hope that even its "Fresh Guys" campaign would help sell Wonder Bread?

The missing explanation is the "halo effect"—the quirk of consumer psychology that creates a generally favorable image for an advertised product even if the specific claims made in the advertisement are obviously absurd. Only the gullible or the very young may have believed Wonder Bread's nutritional claims, let alone the zoom-growth imagery of the ads. But after hearing for 20 years that Wonder Bread builds strong bodies 12 ways, most customers concluded that Wonder Bread was no worse than others. Indeed, unless they were unusually hard-nosed, customers must have been persuaded that there was *something* good about Wonder Bread to justify all those ads.

Snacks, snacks, everywhere snacks. Welcome to the snack cake jungle.
—A Hostess snack cake commercial

If the Wonder Bread portion of the case provided a backstairs view of advertising, the related decision absolving the commercials prepared for ITT Continental Baking snack foods gives an equally absurdist view of what constitutes nutrition in today's pre-packaged America. Government lawyers charged Hostess with airing commercials filled with exaggerated nutritional claims and contended that failure to mention that sugar was the cakes' principal ingredient constitutes a deceptive omission.

This time, ITT met the nutrition issue head-on and claimed that the snack cakes are not just naturally good, but also contain an iron supplement to bolster the diet of unsuspecting children. Although Geritol's commercials to fight iron deficiency anemia—or "tired blood"—were banned by the FTC as false and misleading, ITT all but claimed that with this iron supplement, Twinkies should be considered a health food.

Judge Lynch accepted this argument unblinkingly, contending in his opinion that "the enrichment of Hostess snack cakes to the levels ITT Continental achieved is extremely important in light of shifting dietary trends in this country." Always vulnerable to statistics, Lynch was favorably impressed by the contention of an ITT witness that Hostess Twinkies provide "two more milligrams of iron than. . . the same number of calories of plain chocolate cake." Answering the argument that there are other potential sources of iron in children's diets besides Twinkies and "plain chocolate cake," Judge Lynch explained that "many snacks (such as leftover meats or vegetable wedges) recommended by

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some nutritionists simply will not be consumed by children... and no matter how perfect a food is nutritionally, it has no value unless it is consumed."

The nutritional claims made by Hostess are as blatant as Wonder Bread commercials ever were. Lines like, "Those famous Hostess snack cakes now give your children more than good taste... they give them important nutrition, too," came under sharp attack at the FTC hearing. Dr. George M. Briggs, professor of nutrition and biochemistry at the University of California at Berkeley, testified that when you remove the water from Hostess snack cakes, a Fruit Cake is 24 per cent sugar, a Twinkie is 41.5 per cent sugar, and a Devil's Food Cake is 42 per cent sugar. Not only a source of empty calories, Hostess products have a sugar content so high that they could almost be classified as candy.

Judge Lynch remained unconvinced, stating in his opinion that even eating four Twinkies a day, admittedly "an abnormal amount... would not unbalance... a child's diet." Lynch also dismissed the charge that the high sugar content of Twinkies could affect children's dental health. Lynch stated that it had not been proven to his satisfaction that sugar causes cavities, a view remarkably similar to the sentiments expressed in the testimony of William H. Sebrell, former director of the National Institutes of Health. Sebrell, who began his testimony saying "and let me first say that, while I am not a dentist," argued that the causes of cavities are deep and mysterious and it would be unfair to single out a single factor like sugar. In his opinion Judge Lynch put it this way:

> The fact that a product may contain a substantial amount of sugar does not disqualify it from being a good source of nutrition. The cause of dental caries is not really known, and although sugar may be one factor that can produce caries in some people, the development of dental caries depends on numerous factors, e.g., the amount of bacterial flora in the mouth and the amount of fluoride in the drinking water.

Admittedly, it would have been rather difficult for Judge Lynch or the FTC to require ITT to warn consumers that its snack cakes contain a high percentage of sugar. Lynch explained in his opinion that the FTC had recently approved advertising submitted by the Sugar Association which contained the slogan, "Sugar: It isn't just flavor, it's good food." To permit the Sugar Association to boast of the food value of its product, while requiring Hostess to warn of Twinkies' high sugar content would be, to say the least, both "arbitrary and capricious."

Lost in the thicket of Judge Lynch's reasoning is concern for the effect of such advertising on the average American child who watches over 5,000 commercials a year. A substantial amount of children's television is saturated with food advertising, and 61.7 per cent of these commercials are for sugar-based products like Hostess Twinkies. Even if children have as high a resistance to television advertising as claimed, these 5,000 commercials a year can still have an impact. Although children may remain unconvinced that there is special nutritional value to Hostess products, it is likely that they will grow up believing that junk foods contain more than empty calories.

ITT and the entire advertising industry were lavish in their praise of Judge Lynch and the Wonder Bread decision. For example, *Advertising Age*, a slick trade journal, gloated that "the Federal Trade Commission's crusade to clean up false advertising took on a hollow ring today, as staffers struggled to salvage something from their devastating defeat in the Wonder Bread case." In an *Advertising Age* interview, ITT's general counsel chortled that as soon as the "Fresh Guys" are phased out late this year, Wonder Bread might even return to its old 12 ways.

Isn't this where we came in?

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political book notes

The Abortion Controversy. Betty Sarvis, Hyman Rodman. Columbia, $7.95.

Abortion II: Making the Revolution. Lawrence Lader. Beacon, $7.95. A well-written, and occasionally even moving, chronicle of the fight to reform America's abortion laws by the operator of pioneer abortion-referral service. What is missing from this informed and otherwise comprehensive account is a feel for what caused the drastic turnabout in public attitudes on the abortion issue.

America's Coming Bankruptcy: How the Government Is Wrecking Your Dollar. Harvey W. Peters. Arlington House, $7.95.

The April Game: Secrets of an Internal Revenue Agent. Diogenes. Playboy Press, $7.95. This book from Playboy Press panders to lower instincts than the magazine does. Under the guise of reminiscences from an anonymous IRS agent, the book is really a coy vehicle for tips on how to beat the tax system legally or illegally.

The Black Urban Condition. Hollis R. Lynch. T. Y. Crowell, $12.50.

The Blue and White Collar Revolt: How Business is Coping. David Jenkins. Doubleday, $8.95.

The Buckleys: A Family Examined. Charles Lam Markmann. Morrow, $8.95.

The Conquest of Poverty. Henry Hazlitt. Arlington House, $8.95.

Conversion From War to Peace: Social, Economic and Political Problems. William Meyers, ed. Gordon & Breach, $5.95/2.50.

The Corporate Eunuch: An Eye-Opening Report on the New Executive Life-Style. O. William Battalia, John J. Tarrant. T. Y. Crowell, $6.95. The authors have not entirely escaped the value system they decry ("The goal is the presidency. . . . The young manager must be able to perceive the track that leads to that goal.") and the solutions they propose are disappointing palliatives. But their description of corporate life is sufficiently full of insight to make the book worth reading.

Corporate Lib: Women's Challenge to Management. Eli Ginzberg, Alice M. Yohalem, eds. Johns Hopkins, $6.50/2.50. A serious and worthy look at the problems of women's opportunities and lack of them in upper realms of management. Contributors range from the vice president (male) of Equitable Life Insurance to author Elizabeth Janeway, and the president of Sarah Law-

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rence College. As well as a careful look at the way sex discrimination operates, the book deals with the effects women are having and will have on management.

Culture and the Radical Conscience. Eugene Goodheart. Harvard, $7.95.

Damning the West: Ralph Nader's Study Group Report on the Bureau of Reclamation. Richard L. Berkman, W. Kip Viscusi. Grossman, $7.95.

The Death of the American University. L. G. Heller.Arlington House, $7.95.

The Death of White Sociology. Joyce A. Ladner, ed. Random House, $10/2.45.

The Disaster Lobby: Prophets of Ecological Doom and Other Absurdities. Melvin J. Grayson, Thomas R. Shepard, Jr. Follett, $7.95. "Singly and in awesome phalanxes, by mail or in person, wheedling or threatening. . . they unfurled their predictions of catastrophe." Who are these "self-anointed saviors of humanity," this "disaster lobby"? Among others, Ralph Nader, Rachel Carson, Kingman Brewster, and assorted "self-flagellators," "trashers," "libbers," "elitists." If this sounds familiar, it may be because Grayson is Agnew's special assistant.

An End to Hierarchy! An End to Competition! Frederick C. Thayer. Franklin Watts, $7.95/2.95. Professor Thayer has a truly original mind—well worth reading.

"It is time to look at the Kennedy of life, not the Kennedy of legend."

COLD WAR AND COUNTER-REVOLUTION
by Richard J. Walton

A radical re-evaluation of President John F. Kennedy's foreign policy. "Walton's historical perceptions are a national gift." — Joe Flaherty. At bookstores, $1.45

Also from Penguin

RISE TO GLOBALISM
by Stephen E. Ambrose
A searching look at the roots of American foreign policy between 1938 and 1970. At bookstores, $2.45 (hardcover, $8.95)

PENGUIN BOOKS INC

Fear and Loathing: On the Campaign Trail in 1972. Hunter S. Thompson. Straight Arrow.

The Fourth World: Victims of Group Oppression. Ben Whitaker, ed. Schocken, $10. Informative reports on discrimination around the globe. However, the book, a product of a British group, illustrates the dangers of viewing-with-alarm from too great a distance. While it contains tracts on the Crimean Tartars, the Burakumin in Japan, and the Asians in Uganda, there's nothing on the Asians and blacks in England.

Freedom at Twilight. Richard N. Goodwin. Doubleday, $8.95.

Freedom of the Press For Whom? Jerome A. Barron. Indiana, $8.95.

The Future While It Happened. Samuel Lubell. Norton, $4.95.

The Great Church-State Fraud. C. Stanley Lowell. Luce/McKay, $7.50.

Group Marriage: A Study of Contemporary Multilateral Marriage. Larry L. and Joan M. Constantine. Macmillan, $8.95. Two young family counselors (husband and wife) have made a proselytizing and ponderous study of a number of American group marriages, complete with appendices listing the size of the marriages surveyed—triads, tetrads, pentads, etc. They also list scores the children of various marriages made on the Rogers Personal Adjustment Scale, and the adults' performance on tests measuring "feeling reactivity," "self-actualizing values," and "existentiality." It all adds up, inevitably, to the conclusion that the best, brightest, happiest, most creative and adjusted way of life is group marriage. Perhaps.

How to Start Your Own School. Robert Love. Macmillan, $5.95.

Human Connection and the New Media. Barry Schwartz, ed. Spectrum.

The Idea of Fraternity in America. Wilson Carey McWilliams. Univ. of California.

In His Own Image: The Supreme Court in Richard Nixon's America. James F. Simon. McKay, $7.95. An intelligent analysis of the nine justices who comprise the Burger Court. Although a critic of Nixon's judicial appointees, Simon has a muted style—perhaps too muted, as in his gentle treatment of "Whizzer" White.

The Intellectual Crisis in American Public Administration. Vincent Ostrom. Univ. of Alabama, $6/2.75. A good study of scholarly opinion on the subject, which closes with an appeal to reject the dominant and—rigid Wilsonian model and adopt new ones stressing diversification and flexibility.

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A Journal of the Plague Years. Stefan Kanfer. Atheneum, $8.95.

Kissinger: Portrait of a Mind. Stephen R. Graubard. Norton, $7.95.

The Labor Wars: A History of Worker Militancy in the U. S. Sidney Lens. Doubleday.

Laughing All the Way. Barbara Howar. Stein & Day, $7.95. Lambasts the phony world of Washington society in a vacuous version of Southern-Gothic-tough-straight-talk. Still, the book will be interesting to students of Washington's upper reaches in the sixties.

Looking Back: A Chronicle of Growing Up Old in the Sixties. Joyce Maynard. Doubleday, $5.95.

Manscapes: An American Journey. Colin Henfrey. Gambit, $7.95.

The Medical Runaround: A Dr. Questions Why Today's Physicians are So Useless. Andrew Malleson, M. D. Hart, $6.95.

Methadone Maintenance: A Technological Fix. Dorothy Nelkin. Braziller, $6.95/1.95. A social—not medical—study of methadone programs, in particular the program in Syracuse. Takes up the issue of the social implications of a program that takes addicts off illegal heroin and puts them onto equally addictive, but legal, methadone so as to reduce crime in the cities rather than give real help to the addicts themselves. Short and readable.

A Minority of Members: Women in the U. S. Congress. Hope Chamberlin. Praeger, $8.95.

My War With the CIA: The Memoirs of Prince Norodom Sihanouk. Norodom Sihanouk. Pantheon, $7.95.

A New Foreign Policy for the United States. Hans J. Morgenthau. Praeger, $7.95.

The New Left and the Origins of the Cold War. Robert James Maddox. Princeton, $7.95.

The Next Phase in Foreign Policy. Henry Owen, ed. Brookings, $8.95/3.50. While written in vintage-Brookings style, humorless and full of portent, this collection of essays is well-balanced and enormously intelligent. Covers both geographic themes (U. S. relations with Europe, Japan, et al.) and specific problems (economics and the arms race).

Nixon's Head. Arthur Woodstone. St. Martin's, $6.95. Originally published by Giorodias of Olympia Press, the famous porno publisher who was hounded out of Paris and has now gone straight in London, this is a hodge-podge paste and scissors job, rehashing much familiar Nixoniana. Old stories and quotes glued together under a title which comes from Averell Harriman's remark, "Anyone who wants to be President should have his head examined." However,

equal rights at the top?

Corporate Lib

Women's Challenge to Management

edited by ELI GINZBERG & ALICE M. YOHALEM

Will the male-dominated corporate structure yield to women's increasing demands for a share of executive positions? How will women executives cope with conflicting family and corporate responsibilities?

Corporate Lib is a lively dialogue of leading spokespersons for management, women's lib, government, labor, and the academic world—among them Juanita Kreps, William Goode, Elizabeth Janeway, James Kuhn, and Valerie Oppenheimer. $6.50, $2.50 paper

Chicanos and Rural Poverty

VERNON M. BRIGGS, JR.

We have done little or nothing to help the Chicanos, a group employed almost exclusively by the huge agri-businesses of the Southwest. Vernon Briggs finds the Chicanos' employment problems very different from those of the urban poor. He outlines ways in which migrant and agricultural employment policies must be changed to serve the needs of the Chicanos. $6.00, $1.95 paper

The Politics of Comprehensive Manpower Legislation

ROGER H. DAVIDSON

Roger Davidson examines the political and social ramifications of efforts to develop coordinated manpower programs during the first Nixon administration. He shows why both executive and Congressional efforts failed, despite the need for major reforms. $6.00, $2.50 paper

In the series Policy Studies in Employment & Welfare. Series Editor: Sar A. Levitan

Johns Hopkins

The Johns Hopkins University Press
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there is not much real examination here. One of the author's theories is that the reason Nixon had it in for Hiss was that Nixon sees in Hiss all his own failings. The porn was better.

Parties. John S. Saloma and Frederick H. Sontag. Vintage. Updated from the 1972 edition, with new material from the election.

The Peking Incident. George Atcheson. Prentice-Hall.

Perspectives in Political Sociology.. Andrew Effrat, ed. Bobbs-Merrill, $8.

Philosophy of the Urban Guerrilla: The Revolutionary Writings of Abraham Guillen. Donald C. Hedges, ed. Morrow, $8.95/2.95. While Che Guevara's doctrines are as lifeless today as he is, these translations of Guillen's work may fill the void for many interested anarchists. The emphasis is on urban, not rural struggle, and the inspiration is Bakunin more than Marx. Guillen's analysis is far more plausible when he speaks of revolutionary prospects of underdeveloped regions rather than developed ones.

Political Prisoners in America. Charles Goodell. Random House, $8.95.

Postwar America: 1945-1971. Howard Zinn. Bobbs-Merrill, $5.95. Zinn, the dean of radical historians, sets out to write social history, but serves up a mixture of familiar New Left political history and the unanalyzed comments of Mississippi sharecroppers.

President McGovern's First Term. Nicholas Max. . Doubleday, $4.95. It ends with the beginning of the 1976 New Hampshire Republican primary. McGovern's opponents are Tom Eagleton, Gloria Steinem, and Howard Cosell.

Revolutionary Suicide. Huey P. Newton with J. Herman Blake. Harcourt Brace Jovanovich, $8.95.

Running: A Nixon-McGovern Campaign Journal. Bob Greene. Regnery, $7.95. A campaign diary by the Chicago *Sun-Times* "youth" columnist who sets out to "take it all in as a massive, unique road show." For the number of new insights he develops, he might have been better off following the Rolling Stones. But there are a few good moments, like McGovern, in the middle of the Eagleton thing, watching a Robert Redford movie, *The Candidate* "as though he was hypnotized. Really involved in Robert Redford's campaign dilemmas. I kept wanting to yell out, hey, that's make believe up there... Redford's probably back in California wondering what *you're* up to."

The Secret Team. Fletcher L. Prouty. Prentice-Hall, $8.95. Marvelous anecdotes about the CIA's dirty-trick department are accompanied by a troubling overstatement best suggested by the subtitle, "The CIA and Its Allies in Control of the United States and the World."

Sexual Freedom and the Constitution. Walter Barnett. Univ. of New Mexico, $10.

The Storm Has Many Eyes. Henry Cabot Lodge. Norton, $7.50.

Super Tenant: New York City Tenant Handbook/Your Legal Rights and How to Use Them. John M. Striker, Andrew O. Shapiro. Brownstone, $2.95.

Sweatshops in the Sun: Child Labor on the Farm. Ronald B. Taylor. Beacon, $6.95.

The Third Side of the Desk: How Parents Can Change the Schools. Hannah S. Hess. Scribner's, $7.95.

Timber! Problems, Prospects, Policies. William A. Duerr, ed. Iowa State $7.95.

Trade Union Foreign Policy. Jeffrey Harrod. Anchor, $3.95.

An Untold Story: The Roosevelts of Hyde Park. Elliott Roosevelt, James Brough. Putnam, $7.95.

Victims of Justice. Dorothe Matzner, Margaret English. Atheneum, $10.

We Mainline Dreams: The Odyssey House Story. Judianne Densen-Gerber. Doubleday, $9.95. Don't be put off by the coyness of the title. A fascinating story of a successful program for rehabilitating heroin addicts. Related "existentially," it is full of good stories and random anecdotes. In spite of some whimsicality in style, the program itself is hard-headed and realistic. Claims that those addicts who were forced into the program by the courts did better than the voluntary patients, "putting an end to the myth that an addict must seek treatment himself in order for it to be successful."

West Point: America's Power Fraternity. K. Bruce Galloway, Robert Bowie Johnson, Jr. Simon & Schuster, $9.95. The first quarter of the book paints a vivid picture of life at the military academy, from the sterility of its academic life to assorted odd facts (Timothy Leary was a member of the class of '43). From there the book deteriorates rapidly in its attempts to prove that the entire world is dominated by West Point alumni.

What Went Wrong With American Education and How to Make It Right. Peter Witonski. Arlington House, $6.95.

Where Have You Gone, Joe DiMaggio? H. Jeffrey Greenfield. Doubleday, $7.95.

Wilderness and the American Mind. Roderick Nash. Yale, $10/2.95.

Women in Perspective: A Guide For Cross-Cultural Studies. Sue-Ellen Jacobs. Univ. of Illinois, $10.

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When the first A.J. Liebling Counter-Convention adjourned last spring to mixed reviews (see left), most of the 3,000 participants seemed to agree on only one thing: "Do it again." So, when the American Society of Newspaper Editors gathers for its annual meeting in Washington the first week in May, (MORE) will sponsor the Second A.J. Liebling Counter-Convention, May 3-6, at the Mayflower Hotel.

Last year, when Liebling I ran counter to the meeting of the American Newspaper Publishers Association, the publishers holed up in the Waldorf stewing about the price of Canadian newsprint. Thus, we turned to the editors this time and, happily, the ASNE has agreed to encourage a dialogue between editors and reporters in Washington that week. We expect some of the country's leading editors to participate.

Unlike last year, when the program ranged across virtually the entire landscape of American journalism, Liebling II will concentrate on two broad themes: "Washington Journalism" and "Power in the Newsroom."

Those who attended Liebling I will recall the crush that resulted from the astonishing turnout, which caught us unprepared. To avoid overcrowding this time, we urge all those who plan to attend to register now by filling out the blank below. When you arrive in Washington your admissions badge will be waiting for you.

The $10 registration fee includes a one-year subscription to (MORE), a one-year renewal of a current subscription or a one-year gift subscription for someone else. Those who don't wish to take advantage of this special offer may register for $8. Persons wishing to stay at the Mayflower Hotel should check the appropriate box below. The hotel will contact them.

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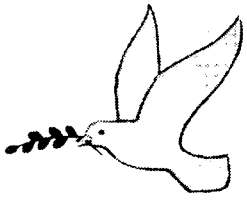

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